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OFF-RESERVATION GAMING

HEARING

BEFORE THE

COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

ON

OVERSIGHT HEARING ON OFF-RESERVATION GAMING: LAND INTO TRUST AND THE TWO-PART DETERMINATION

FEBRUARY 28, 2006
WASHINGTON, DC

PART 2

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OFF-RESERVATION GAMING

TUESDAY, FEBRUARY 28, 2006

U.S. SENATE,
COMMITTEE ON INDIAN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 9:30 a.m. in room 485 Senate Russell Office Building, Hon. John McCain (chairman of the committee) presiding.

Present: Senators McCain, Dorgan, Smith, and Thomas.

Also Present: Hon. David Wu, U.S. Representative from Oregon; and Ted Kulongoski, Governor, State of Oregon

STATEMENT OF HON. JOHN MCCAIN, U.S. SENATOR FROM ARIZONA, CHAIRMAN, COMMITTEE ON INDIAN AFFAIRS

The CHAIRMAN. Good morning.

When Indian Gaming Regulatory Act [IGRA] was enacted 17 years ago, following the decision of the Supreme Court in the *Cabazon* case, Congress established a regulatory structure for tribes that conduct gaming on their lands. The IGRA made clear that, as a general rule, gaming was not to be conducted on lands acquired after 1988, the date on which IGRA was enacted. At the same time, however, we carved out several exceptions to this general rule.

In light of the astronomical growth in Indian gaming, both in the amount of revenues generated and in the number of gaming operations established, it is clearly time to revisit these exceptions. Today's hearing focuses on an exception known as the "two-part determination," which allows for gaming on lands off the reservation and potentially unrelated historically to the tribe.

This exception allows for gaming if, one, the Secretary determines after consulting with the tribe and State and local officials, including other nearby Indian tribes, that the gaming establishment would be in the best interest of the tribe and would not be detrimental to the surrounding community; and two, the Governor of the State in which the property is located concurs with the Secretary's determination.

While I believe that an assessment of the impacts of new Indian casinos on local communities is appropriate, when siting casinos on after-acquired land, the IGRA reform bill, S. 2078, proposes to eliminate the two-part determination. I did this because we believe that the proliferation of proposals by tribes with existing reservations and their developer-backers to site casinos off-reservation on

lands to which the tribes often bear no historic relationship is fostering opposition to all Indian gaming.

We also did this because residents and communities, including nearby Indian tribes that thought in 1988 that by looking at a map of established reservations they could predict where casinos would be built, now find themselves surprised, confused and divided by proposals to site massive gaming operations in their backyards.

I look forward to hearing from the witnesses today who will speak to both the pros and cons of the two-part determination.

Senator Thomas, welcome.

Senator THOMAS. Thank you, Mr. Chairman.

[Remarks made off microphone.]

The CHAIRMAN. Thank you very much. I take back everything I said about [remarks made off microphone.]. [Laughter.]

[Remarks made off microphone.]

We will have to just speak up, Mr. Skibine and I. I welcome you back. George Skibine is the Acting Deputy Assistant Secretary, Policy and Economic Development for Indian Affairs. Among other issues, of course, Indian gaming is one of the areas that he has been heavily involved in and appeared several times before this Committee.

I notice the presence of one of our colleagues from the House side, Congressman Wu. Would you like to make any opening comments? You are welcome and I know we would be glad to hear from you, if you would like.

Mr. WU. [Remarks made off microphone.] hear from the witness. At some point, Mr. Chairman, if I may ask some questions, I would appreciate it.

The CHAIRMAN. Thank you. We appreciate very much your involvement in this issue and your presence here today.

Mr. WU. Thank you very much.

The CHAIRMAN. Mr. Skibine, does your microphone work?

Mr. SKIBINE. It does.

STATEMENT OF GEORGE SKIBINE, ACTING DEPUTY ASSISTANT SECRETARY, POLICY AND ECONOMIC DEVELOPMENT FOR INDIAN AFFAIRS, DEPARTMENT OF THE INTERIOR

Mr. SKIBINE. Thank you very much, Mr. Chairman, Senator Thomas, and Mr. Wu.

I am pleased to be here to present our views on the two-part determination.

[Remarks made off microphone.]

The last hearing focused on the exceptions for initial reservation and for restored land for restored tribes, and today's hearing is going to focus on the two-part determination. My testimony is made part of the record. I am not going to go through it again.

The CHAIRMAN. Without objection.

Mr. SKIBINE. I am just going to focus on the salient points regarding the two-part determination.

When a tribe wants to engage in off-reservation gaming, and usually when none of the other exceptions in section 20 apply, it can still game if, as Mr. Chairman you stated, the gaming establishment, the land is acquired in trust after October 17, 1988, and the Secretary makes a determination after consultation with appro-

priate State and local officials and nearby tribes, that the gaming establishment will be in the best interest of the tribe and its members and will not be detrimental to the surrounding community, but only if the Governor of the State concurred in such a determination.

When the tribe submits an application, the land may already be in trust, because section 20 is not a land acquisition authority. We have approved applications for two-part determinations, for instance, for the Kalispel Tribe in the State of Washington, when the land was acquired in trust after October 17, 1988, for purposes other than gaming, and the tribe, in that particular case, decided that it wanted to conduct gaming operations on the land, so it submitted an application for a two-part determination.

Most of the time, the application will include a land-into-trust application and also a two-part determination application. The processes are intertwined, and a lot of the requirements under the 25 CFR part 151 regulation are parallel in the section 20 determination. We have published a checklist since 1994, I believe, in terms of guidance for the regional office on how to process those applications.

Essentially, the application is submitted for the two-part determination, to the regional office and the regional office then will have to conduct consultation with the appropriate State and local officials, and nearby tribes. In the current checklist, we require consultation with State and local officials that are located within 10 miles of the proposed site, and with the Governor, and we require consultation with nearby tribes located within 50 miles of the proposed site.

The consultation is conducted by letter. The letter to the appropriate officials asks pertinent questions regarding the best interests, that is the letter to the tribe, and the not detrimental letter to the affected officials. Usually, we give the local officials at least 30 days to submit their comments, which can be extended.

In addition, the regional office can, if it so decides, conduct additional consultation by having public hearings and public meetings, which then have to be documented with a court reporter so that there is a transcript, and all that becomes part of the record.

When all that is done, and at the same time, there is also a process for compliance with the National Environmental Policy Act that goes on, usually requiring an environmental assessment or an environmental impact statement, and that goes parallel to the consultation for the two-part determination.

When all of the application is ready by the regional office, they will submit to my office a recommendation on the two-part determination and perhaps under the 25 CFR part 151 application process, if applicable. Usually, we make our determination for the two-part determination in the central office before we make a determination to take the land into trust, if that is applicable. And that is because usually if the Governor does not concur in the two-part determination that is issued, then usually the tribe will not be interested in taking the land into trust. So that determination is made first. If we receive a positive concurrence from the Governor, then we will proceed to the 151 process, if applicable.

So far, since 1988, as you know, we have had only three instances where a Governor has concurred in a positive two-part determination by the Secretary. These establishments are located in Wisconsin, in the State of Washington, and in the State of Michigan. Currently, there are, and I brought a list here that I want to submit as part of the record, 13 pending applications under the two-part determination. It is not included as part of my testimony, but I would like to submit it as an update.

The CHAIRMAN. Without objection.

Mr. SKIBINE. These applications are in various stages, some of them are pretty close to ready; some of them are not.

In addition, we are in the process of publishing regulations, as I mentioned at the last hearing. I was hoping to have a draft done by yesterday so that there would be a ″dear tribal leader" letter that would go out to all the leaders announcing the regulations, including a draft, and setting forth a consultation process. My boss, the Associate Deputy Secretary, is going over the draft with a microscope.

The CHAIRMAN. That is the regulations concerning IGRA or just the two-part determination?

Mr. SKIBINE. No; the regulation is concerning IGRA, all of section 20. That will include the two-part determination and the initial reservation and the restored land. At this point, we hope to have this letter out by the end of this week, and we hope to have the consultation with tribes done by the next 2 months, March and April, so that sets a schedule that would have proposed regulations published in late May or June, and a final regulation sometime over the summer. You have sent us a letter. We expect to respond by March 3, setting forth the schedule for the development of that regulation.

This concludes my comments. I am available for questions, if you have any. Thank you.

[Prepared statement of Mr. Skibine appears in appendix.]

The CHAIRMAN. Thank you.

Senator Thomas, I know you have to go to another hearing. I wonder if you would like to go ahead and ask questions?

Senator THOMAS. Just one that I am curious about. If a tribe wants to do gambling that is not allowed in the State, is this same process used, even though it is on the reservation?

Mr. SKIBINE. If the gaming is not permitted in the State at all, including class II and class III?

Senator THOMAS. The type of gambling, not all States allow for it at all. In Wyoming, for example, they allow some gambling, but if the tribes want to go beyond that, then it is my understanding they can go to the Secretary and go to the Governor and so on. Is that the same process pretty much as described here?

Mr. SKIBINE. I think the scope of gaming is decided when the tribe enters into a compact with the State for class III gaming. If the tribe wants to do gaming and if there is some gaming permitted, and the tribe can do class II gaming, which is bingo and bingo-related games, then we can proceed to do a two-part determination based on the fact that the gaming is authorized.

If it is a State like, let's say, let me take a State like Hawaii, for instance, where there is no gaming permitted, then essentially

we would not take the land into trust because we know that the purpose for which the tribe wants to use the land is not a permissible purpose. In our 25 CFR part 151 regulations, we ask for the purpose for which the land will be used. If the tribe says gaming, then we have to make a decision that either class II or class III gaming is permitted. If it is not permitted, then we are not going to be able to take the land in trust.

Senator THOMAS. Well, I am not talking about taking the land into trust.

Mr. SKIBINE. Oh.

Senator THOMAS. There is no trust to it. It is just expanding on the reservation more than the State allows in the State. It takes the Governor's approval and the Secretary.

Mr. SKIBINE. I am not quite understanding exactly.

The CHAIRMAN. I think what Senator Thomas is saying is that additional lands within the State, taken into trust, then would that——

Senator THOMAS. No; that is not the issue that we are going at in Wyoming. It has nothing to do with lands. It was going beyond what the State allows for anybody in Wyoming. The tribes want to do something that goes beyond that. I am just asking you, is this the same process that is used for that?

Mr. SKIBINE. No; I don't think it is the same process. I think the process you are talking about would be the compact approval process.

Senator THOMAS. All right. Thank you.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Thomas.

There seems to be a lot of controversy surrounding this issue. Right?

Mr. SKIBINE. Yes; there is.

The CHAIRMAN. Is it myth or fact that there are tribes that are doing two things: one, purchasing land, sometimes not contiguous, for the purpose of gaming operations; and two, that there are occasions where a tribe says, we are taking this land into trust and we are not going to use it for gaming, and then some years later change their policy that now they want to engage in gaming, which tribal governments, like our Government, has the right to do, reverse previous policy. Are those real concerns, or are they just exaggerated, in your view?

Mr. SKIBINE. Historically it is true that tribes take land in trust off-reservation for, let's say, housing, and then some years later may decide to change the use to gaming. That has happened.

The CHAIRMAN. Could I stop you there? You see, that is what concerns us. If we think that additional land is taken into trust for housing purposes, then there is really very little controversy associated with that. But if later on they change their mind and want to set up a gaming operation, then that has an entirely different effect on the surrounding community and the State in which they exist. That is why we are looking at just doing away with the whole process because of the controversy that has generated. Do you see my point?

Mr. SKIBINE. Yes; I do see your point. Of course, those tribes cannot engage in gaming unless they comply with section 20 of IGRA.

So they will have to submit an application to the Secretary for a two-part determination.

The CHAIRMAN. Yes; but when a tribe already owns the lands, that is a little bit different because then you make the argument that they should be able to do whatever they want to with what is tribal sovereignty. That puts a different set of circumstances on the issue, as opposed to a tribe saying, we want to take this land into trust and we are going to game on it.

But if they say, we are going to take this land into trust and all we are going to do is build houses or a youth center or a school, for most people that is less than controversial. It becomes controversial when the gaming issue is taken up. If they own the land, it is theirs to administer, and then they say we are going to start a gaming operation, then it seems the whole burden of proof is shifted. Do you see my point?

Mr. SKIBINE. Yes; that is correct.

The CHAIRMAN. So do you think that is a problem, both for BIA and for us, and for the Governors and for the local people?

Mr. SKIBINE. Well, historically it has not really been a problem because there have only been three instances where this has gone forward. In two of the three instances, in fact the land was taken into trust for other purposes before.

The CHAIRMAN. But now you have 18 years after IGRA, you have 13 new applications for, I think that is what you testified.

Mr. SKIBINE. Yes; we have 13 pending on the two-part determination.

The CHAIRMAN. One of the witnesses, Stand Up for California, will say there are 40 applications pending for gambling on restored lands just in California. Do you know how we reconcile that?

Mr. SKIBINE. I think that in California a lot of the applications try to come under the restored land exception or the initial reservation exception. That is a separate list. We have pending under those exceptions, I think I have this somewhere, another 11 applications that we know are pending.

The CHAIRMAN. So here we are 18 years after, and this was sort of viewed as a bridge, the restored lands aspect of it, and now we have more and more tribes who are applying to game on land that they have acquired and taken into trust. True?

Mr. SKIBINE. Well, we have more, yes. But the restored land exception applies usually if there is either a restoration by traditional determination, and in California that is the case because of what happened to the California tribes under the California Restoration Determination Act, and/or if Congress passes a restoration act that authorizes the Secretary to take land in trust. We have a number of these, not in California specifically, although there too, we have a number of these applications that are in the case where Congress has subsequently passed a restoration act, and those applications fall under that exception.

I think the idea there is not to penalize new tribes and restored tribes for being restored after the date of enactment of IGRA, when you have all tribes that have trust lands before IGRA was enacted that can game on their reservations. The new tribes would not be able to engage in any gaming. My feeling was that Congress want-

ed to strike a balance for authorizing newly recognized tribes to be able to engage in gaming.

The CHAIRMAN. Does consultation under your interpretation include public hearings? Under section 20, it says consultations are required. Does that include public hearings, in your view?

Mr. SKIBINE. In my view, I think we will address this in our regulations. Right now in our checklist, we say that the consultation is done by letter, and we leave it to the discretion of the regional director whether to do a public hearing in addition. Now, for our purposes, I think that if we are approached by public officials or by members of Congress from that area to do public hearings, we will do that.

The CHAIRMAN. Let me strongly recommend that public hearings are important on an issue of this significant impact on the local community. Not only should we hear from elected officials, but I think from public officials as well.

Thank you for coming back to the committee, and thanks for your hard work. I do not understate the difficulty and complexity of these issues that we are dealing with, and we appreciate your insight.

Senator Dorgan.

Senator DORGAN. Mr. Chairman, thank you very much.

Mr. Skibine, thank you.

Let me ask a question that might seem very simplistic to you, but I am trying to understand the two-part determination a bit better. This is a nearly $20-billion gaming economy for Indian tribes. Let's assume that I am an Indian tribe in a Midwestern State. We have gaming operations, a compact with that State, but our gaming operations are basically in rural areas and we would like to really kind of go for the big interest here. We would like to establish a gaming interest in Manhattan, somewhere midtown Manhattan.

Would I be able to make application under the two-part determination before we acquired land in Manhattan? Or would we have to attempt to acquire land and then have to bring it in trust for the purpose of gaming in Manhattan?

And my understanding is I would not necessarily have to be in the State of New York. I could be in South Dakota, for example, and aspiring to do this under the two-part determination because the basis of that is economic. Is that not right? Can you respond to all that?

Mr. SKIBINE. Yes; if a tribe in the Midwest wants to submit an application for a two-part determination for land in Manhattan, it can do so because IGRA, the section 20(b)(1)(A), does not impose any boundaries. It is going to be off-reservation, but it does not say it has to be within the State where the tribe is located, so that can happen.

Now, if the tribe does not have land into trust in Manhattan, but only submits a two-part determination, we will require the tribe to submit in addition to the two-part determination a request to take the land into trust, because we will not make, I don't think we will give them an opinion on the two-part determination unless we know that there is going to be an application to take the land into trust.

Senator DORGAN. That is not a requirement at the moment. It is just something that you would do.

Mr. SKIBINE. Right.

Senator DORGAN. In the absence of regulations at this point, you have a way of doing this. I guess you have answered my question. My sense is that as this goes in the longer term, a $20-billion industry will attempt to seek in a more aggressive way, to the extent it can, gaming operations in the major cities.

In this circumstance, you say under the two-part determination, there is no requirement that that search be confined to a specific State. It can be anywhere, although I think you have indicated that the two-part determination, when fully framed with the acquired land and so on, is going to have to have the approval of the Governor. Is that correct?

Mr. SKIBINE. That is correct, yes.

Senator DORGAN. One of the points that I made, and I think the Chairman made as well previously, is the urgency of regulations. I know some people do not like regulations, but I think regulations are critically important in these areas in order to set the ground rules so that everybody understands what the rules are and how they are interpreted.

I think this is an important hearing because this exception, the two-part determination exception, is basically driven by economics. It is just an economic desire. I fully understand, if I were in charge of a tribe and you had a gaming operation in a rural area, you would very much like, if you could, to find a way to move it to an urban area, or to establish an operation in an urban area. So I understand that.

My guess is that we will see more and more applications and desires to do that. You say you have 13 applications?

Mr. SKIBINE. We have 13 pending.

Senator DORGAN. How many have previously been approved under the two-part determination?

Mr. SKIBINE. Three have been approved with the Governor's concurrence.

Senator DORGAN. All within the same State of the tribe of domicile?

Mr. SKIBINE. That is correct. The Secretary since 1988 has sent two-part determination findings, positive ones, to a Governor maybe in half a dozen more, where the Governor has not concurred.

Senator DORGAN. Are any of the 13 crossing State lines?

Mr. SKIBINE. Yes.

Senator DORGAN. How many, roughly?

Mr. SKIBINE. There are two on our list.

Senator DORGAN. Mr. Chairman, thank you.

Mr. Skibine, thank you again for your testimony.

The CHAIRMAN. What is the rationale for allowing the gaming operation in land taken into trust in another State?

Mr. SKIBINE. What is the rationale for it?

The CHAIRMAN. Yes.

Mr. SKIBINE. Congress chose not to impose limits on that process. Now, that is on the two-part determination. For taking land into trust, we would look at our 25 CFR part 151 process, and I know

that the department is also developing new regulations to implement that aspect.

The CHAIRMAN. Senator Smith.

Senator SMITH. Thank you, Senator McCain.

I apologize for being late. I have to be in three different hearings at once, but this is a very important hearing.

Mr. Skibine, thank you for being here.

I am interested to know, was it unusual for the BIA to require the Warm Springs to take the land into trust before the two-part determination was made?

Mr. SKIBINE. No; the BIA is not requiring the Warm Springs Tribe to take the land into trust before the two-part determination is made. What we did is we decided to disapprove their compact for class III gaming because the land was not in trust yet. That is a separate issue. If they get the land into trust, the tribe will have the opportunity to resubmit their compact with the State and then we will make a decision on that compact. That is a separate issue.

Senator SMITH. You did not require that to occur? You did not require them to take it into trust?

Mr. SKIBINE. To take it into trust before the two-part determination, absolutely not, no.

Senator SMITH. Thank you, Mr. Chairman.

The CHAIRMAN. Congressman Wu, would you like to pose a question?

Mr. WU. Thank you very much, Mr. Chairman. I greatly appreciate your indulgence.

Mr. Skibine, I have many questions about the general issues that you are talking about, but I would like to focus like a laser beam on one particular instance, which Senator Smith and I care about in common. That is the proposal of the Confederated Tribes of the Warm Springs Reservation to build a gambling casino in the Columbia River Gorge.

For those of you in this room who are not familiar with the Columbia River Gorge, it is an 80-mile long, almost sea level cut through the Cascades, and it is the only such cut from California up to the Canadian border. In my view, it is truly the crown jewel of Oregon's natural heritage. It is like the Everglades in that it is a national treasure adjacent to a metropolitan area, and finding appropriate human uses is very, very important. There are always going to be human uses of that territory.

However, the gorge, it is like Yosemite Valley with a large river flowing through it. The Warm Springs Tribe has signed a compact with the Governor of Oregon to build a 500,000-square foot casino, which will draw 3 million visitors and about 1 million extra cars per year.

Now, there are alternatives to building a casino in the gorge. I want to focus right down on the EIS process, because it is my understanding that the tribe was allowed to adjust its needs statement so that in essence the needs statement was manipulated to exclude certain alternatives, that is under the current needs statement as adjusted by the tribe, there is only the Cascade Locks, the site that the tribe wants; the Hood River site that the tribe threatens to build on, that no one wants a casino on; and a no-build option.

There are other alternative sites. The Warm Springs have the largest reservation in the State of Oregon, and there are major highways through that reservation, and all of those alternative sites were eliminated by customizing the needs statement.

Are you aware of other instances in either the three that were approved or in the 13 that are pending, where the needs statement are manipulated to eliminate other appropriate on-reservation sites?

Mr. SKIBINE. Off hand, I am not aware because I am not all that familiar with the pending, with the details of the EIS. But I am aware of the issue you raise because it was communicated to us. We are looking into that issue right now. The EIS is not final. It is still in draft, so I think we are looking at the technical details to see whether the EIS will satisfy the requirements of NEPA. So we will look precisely at the issue you are raising when we review the documents.

Mr. WU. Very good, and if we can be of any assistance in your review, we certainly would look forward to that.

Let me just mention, Mr. Chairman, that the House version of the bill, well, your Senate bill, right now the House version of the bill has a specific exemption in it for this particular casino in this particular gorge in this particular national scenic area. We in Oregon certainly hope that the Senate side of the legislation will not have a grandfather clause which many of us view as inappropriate.

Thank you very much, Mr. Chairman.

The CHAIRMAN. Thank you very much.

Thank you very much, Mr. Skibine. It is good to see you again. Thanks for being here.

Our next panel is Ron Suppah, chairman, Confederated Tribes of the Warm Springs Reservation of Oregon; Cheryle Kennedy, chairwoman, Confederated Tribes of the Grand Ronde Community of Oregon; Carol York, commissioner, Hood River County of Hood River, OR; Michael Lang, conservation director, Friends of the Columbia Gorge; and Cheryl Schmit, director, Stand Up for California.

Chairman Ron Suppah, we will begin with you, sir. Please proceed, Mr. Chairman.

STATEMENT OF RON SUPPAH, CHAIRMAN, CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON

Mr. SUPPAH. Good morning, Chairman McCain and members of the committee. My name is Ron Suppah. I am the tribal council chairman of the Confederated Tribes of the Warm Springs Reservation of Oregon. I appreciate the opportunity to be here today.

The 650,000 acre Warm Springs Reservation is located in a remote area in north central Oregon, away from major population centers. Since the early 1990's, our tribal government has experienced serious financial difficulties, due largely to the decline of our timber-based economy. Our overall tribal governmental revenue has declined by one-third. Our revenues do not meet our governmental needs and we are having to make painful budget cuts and to draw upon our emergency reserve funds. We expect this financial crisis will only get worse in the years ahead.

To try to address our needs for additional revenue, in 1995 we opened a casino on our reservation, but with our remote location

its revenues have done little to span the growing gap between our tribe's income and our governmental needs. In the late 1990's, following a survey of alternative gaming sites, a tribal referendum directed the tribal council to pursue a casino on our traditional ceded lands along the Columbia River. We first looked at a gaming-eligible 40 acre tribal trust allotment about 38 miles from our reservation, and near the city of Hood River, but Hood River and others objected.

At that time, in 1998 and 1999, the city of Cascade Locks, about 17 miles to the west, asked us to consider their industrial park as an alternative site. This 25 acre alternative site addresses Hood River's concern and makes sense to many other parties. Therefore, we decided to forego the Hood River site in exchange for the industrial park site. We understood this would require getting the land into trust for gaming and a positive secretarial two-part determination, including the Governor's consent.

Before we engaged these two processes, we fully appreciated they would not succeed without the support of Oregon's Governor and the local community. We decided it was best to reach all necessary agreements first so that all the parties and the public could know what will occur once the land is taken into trust. We started discussions with the Governor and Cascade Locks in 1999 and signed the compact and other agreements in March and April 2005. If we had not reached those agreements, we would not be here today.

We also appreciate that to have a chance with the fee-to-trust process and the secretarial two-part determination, we would have to conduct a model process. We are seeking to do so. This is an exacting and lengthy effort, but it is strengthened by the trust, common purpose and commitment with our State and local governmental partners.

All of our communities have a thorough understanding of the project. It has been widely discussed. Although it has its detractors, it has been endorsed by 32 Federal, State, and local elected officials, including Representative Greg Walden, who represents Warm Springs and Cascade Locks.

In an April 8, 2005 letter to BIA, Warm Springs formally requested the land into trust process and a two-part determination. The BIA initiated the secretarial two-part determination with a June 15, 2005 letter asking six impact questions to all local governments within 10 miles of the site and tribes within 50 miles of the site. The responses were broadly supportive and posed no objections.

The tribe also filed a 45-page response with hundreds of pages of supporting documents. The BIA initiated the land-into-trust process within an early June letter to the governments with jurisdiction over the Cascade Locks site, whose responses were uniformly supportive.

BIA is also preparing a full environmental impact statement under NEPA, and published a formal notice of intent to conduct the EIS on August 30, 2005. Even though the BIA administers the EIS, our tribe has to pay its bills.

Mr. Chairman, much of the Columbia River Gorge is in a national scenic area. Our project in the industrial park inside Cascade Locks' city limits is not subject to the Scenic Act restrictions,

but we are very sensitive to the environment of the area. After all, we have lived there from time immemorial and continue to rely on the fish from the Columbia River.

With our partners, we are dedicated to doing a good and careful job on this project. Preparing the EIS is a very public and expensive process. BIA conducted five public open meetings in four locations last September, and held an additional public comment period in December. A draft EIS is expected this summer and will provide for further public input. The final EIS could be out by this fall, at which time the Cascade Locks application packets should go to Washington for review.

Mr. Chairman, this has been an expensive process to comply with IGRA and land-into-trust requirements. To date, we have spent about $4.2 million. Design has cost $8 million. This has all been our own money. To complete the process to the point of starting construction, we expect to spend an additional $9 million. We have committed these resources in reliance on the current process, and welcomed the fairness provision in section 10 of S. 2078, so projects such as ours can be finished by the rules under which we started.

We believe the current processes for gaming land into trust, and the two-part determination, are very demanding and exacting. Most importantly, the two-part determination will not allow a project to go forward without the support of the Governor and the local community.

Since IGRA's enactment, only three tribes have succeeded. But the existing process could be improved with regulations which we understand Interior may be developing. As we have stressed, we believe reaching agreement with the Governor and local governments first before proceeding with the land-into-trust and two-part process is the best way to proceed.

Mr. Chairman, thank you for hearing our story. We believe we are making a model effort under the current rules. There is no guarantee we will succeed, but Warm Springs and our State and local government partners at Cascade Locks are giving it our best try, and we particularly appreciate your bill's intention to let projects like ours complete the process without changing those rules.

Thank you.

[Prepared statement of Mr. Suppah appears in appendix.]

The CHAIRMAN. Thank you very much, Chairman Suppah.

Chairwoman Kennedy.

STATEMENT OF CHERYLE KENNEDY, CHAIRWOMAN, CONFEDERATED TRIBES OF THE GRAND RONDE COMMUNITY OF OREGON

Ms. KENNEDY. Good morning, Mr. Chairman, members of the committee.

My name is Cheryle Kennedy. I am the chairwoman of the Confederated Tribes of Grand Ronde in Oregon. I am proud to be here today representing our approximate 5,000 members of the Confederated Tribes today.

On a personal note, I just want to say that I am very humbled to be here today, given the fact that I come from a terminated

tribe. Back in the 1950's, policy was made, a decision was made to terminate tribes. There was a whole list. I think everyone is pretty familiar, of all the tribes who were listed on that list. The policy of Congress was to terminate all of tribes and to mainstream them into society.

I was a young child at that time, and the humbling part of it is that I am here today representing the Confederated Tribes of Grand Ronde because if things continued on the path that was there originally, I would not be here. So I am grateful to be here representing my tribe.

Prior to termination, the Confederated Tribes of Grand Ronde had a reservation of about 69,000 acres. All of that was done away with. All that remained after that was our cemetery. Our ancestors were allowed to remain in the graves that they lay at.

Since restoration, which happened in 1983, the Confederated Tribes of Grand Ronde now have approximately 11,000 acres. Most of the acreage is not where we live. I might say that in terms of developing a nation and building a nation, it has been a long, hard road. To serve about 5,000 members, we only have approximately 100 homes.

The Grand Ronde Reservation is small in comparison to other reservations in Oregon, some of which are large and have diversified economies. Our casino is located within the heart of the current and historical Grand Ronde Reservation. We are a treaty tribe. Our tribe has seven treaties. The lands that were ceded on behalf of the Confederated Tribes of Grand Ronde were millions and millions of acres, stretching from the borders of Washington State to California State.

Today, we are here to support your efforts to address the issues of off-reservation gaming. We know that a majority of tribes are against opening IGRA to focus on this, or any other issue. It was a difficult decision for our tribe to make, but after consideration and deliberation, we believe that for the continued success of Indian gaming, these difficult issues must be addressed.

Grand Ronde's opposition to off-reservation gaming stems from our concern that off-reservation casinos weaken public and Government support for Indian gaming. They undermine the purpose of IGRA, which is to promote development of strong reservation economies through on-reservation casinos. It invites disputes among tribes when located in areas where one or more tribe has a significant historical connection.

As the Confederated Tribes of Grand Ronde, we look and engage at what is happening not only with our tribe, but within the State of Oregon. We learn that through termination, when you stand by yourself, oftentimes bad things happen to you as it does. So we look to our neighbors and to our fellow citizens for what they are thinking as well.

So in doing so, we conduct public opinion polls regularly to see how the nature of things are. Oregon's citizens are concerned about the expansion of gaming and fear, as does Grand Ronde, that approval of an off-reservation casino under the two-part determination process will lead to a proliferation of casinos near urban areas.

As tribes and others rush to surround urban areas with casinos, Grand Ronde and other tribes will no doubt be forced to reassess

their own positions on off-reservation gaming to the ultimate detriment of both tribes and the public at large. It is no secret that off-reservation facilities proposed by other tribes and Warm Springs in Oregon and the Cowlitz-Mohegan effort in Washington, will have a significant impact on the Grand Ronde Tribe and the community in which we operate. However, our concerns and Oregonians' concerns, as we have seen through public opinion research, are much larger.

We feel strongly that the continuation of these types of proposals will only continue to tarnish the Indian gaming industry as a whole, and jeopardize all of the wonderful advancements that tribes who are abiding by the rules have been able to make for the benefit of their people and the communities in which they operate.

This legislation and the law need to be about a policy that treats all tribes equally. There should be no loopholes for tribes that happen to have already submitted their application for an off-reservation casino. The law should not benefit a few tribes at the expense of the majority of tribes.

In sum, we are here today in support of eliminating IGRA's two-part determination exception to the prohibition against gaming on lands acquired in trust after October 17, 1988. However, the elimination of this exception should be done without a loophole that allows continued consideration of some two-part determination applications and not others.

I appreciate your time in hearing this testimony and taking it into consideration. We have submitted for your reading the full comments that we are providing. Again, thank you for this opportunity.

[Prepared statement of Ms. Kennedy appears in appendix.]

The CHAIRMAN. Thank you very much. Your complete statement will be made part of the record.

Carol York, Commissioner of Hood River County. Welcome.

STATEMENT OF CAROL YORK, COMMISSIONER, HOOD RIVER COUNTY, OR

Ms. YORK. Thank you, and good morning, Chairman McCain and members of the Senate Committee on Indian Affairs.

My name is Carol York, and I am one of five locally elected County Commissioners in Hood River County, OR. Cascade Locks is in my commission district, and Cascade Locks is located about 50 miles from Portland, our metro center in Oregon.

Hood River County is also the home of Representative Greg Walden, a strong supporter of the Warm Springs proposal. I appear before you today to describe our county's activities regarding a proposed off-reservation casino in our county. I am honored to be here and I thank you for the opportunity to testify.

You have my written testimony, but today I would like to speak about my experience and why there needs to be a method within the Indian Gaming Regulatory Act for commonsense decisions for tribes and local governments working in concert. I have discussed the opportunities, threats, challenges and pitfalls of tribal casinos with county officials throughout Oregon and across the Nation. I have also visited several tribal casinos for research, although I

have not sampled any games or machines. I do not even know how to buy a lottery ticket.

But whether one likes it or not, gambling is an approved form of recreation and entertainment in nearly every State. I have also discussed tribal casinos at great length with proponents and opponents, including highly regarded tribal law attorneys who can guarantee delaying a casino, but not preventing it from eventually happening on trust land.

The primary winners in multi-year legal battles are the attorneys. Therefore, it is necessary to take a proactive approach and create a win-win situation by siting the casino in a community that wants it, and in a Columbia Gorge urban area where development is encouraged.

In my research, I found that the impacts of tribal casinos are measurable, predictable and can be mitigated by negotiating a comprehensive agreement with the tribe before it is built. Cascade Locks and Hood River County have done this through a long process, which resulted in a memorandum of agreement with the Warm Springs Tribe.

I also discovered that communities benefiting the most from their tribal casinos were those that had established relationships early with the tribe, in the planning process, not after the casino had opened for business. There is an overwhelming difference in local government success with tribal casinos based on when relationships began. Those who communicated before the casino opened were far better off than those who did not. Agreements were more likely to be upheld and partnerships built. The difference is having something done to you, instead of having something done with you.

Members of the Warm Springs voted to build a casino in the Columbia River Gorge without specifying a location. They have trust land on the east side of Hood River, adjacent to the Senator Mark O. Hatfield State Park. The historic Columbia River Highway accesses and crosses the tribe's trust land.

George Skibine, BIA Director of Indian Gaming, has assured me that the tribes have an absolute right to build a casino on this trust land, which is located in the general management area of the National Scenic Area. The National Scenic Act, section 17-7, specifically exempts trust land, therefore allowing a casino to be built in this location.

The tribes are so certain of this that they purchased an additional 175 acres of land nearby. The tribes' geotech analysis says the site is buildable. The high construction cost of the project in this location would be insignificant when considering the revenue potential. Approving the Cascade Locks Industrial Park site, instead of the Hood River trust land, simultaneously preserves and protects these lands within the National Scenic Area and prevents smokestack industries from locating in Cascade Locks, both positive environmental benefits.

The now 20-year-old National Scenic Act is still the Nation's only national scenic area. Congress recognized that it is a national treasure, but not a national park. Not every square inch is suitable to be protected as if it were wilderness. It is an overlay zone over private and public lands, with towns, a freeway, two railroads, and State highways, not at all like Yosemite or Yellowstone. The res-

ervation, by the way, has only a two-lane highway and it is very congested at the Portland end.

The second purpose of the Scenic Act specifically encourages development to occur within the urban areas of the gorge, of which Cascade Locks is one of only four on the Oregon side of the Columbia River. Their long-vacant industrial park site, on fill from the Bonneville Dam's second powerhouse construction spoils, is clearly not a pristine site. It is next to a pellet plant, construction equipment, railroad crossings and a gravel pit. You can see the photo in my submitted testimony. If the photos were not included in your copies, I am happy to submit these additional copies for your review.

The city and Port of Cascade Locks recognize numerous benefits, including improved access to the industrial park, with a bridge over the railroad tracks and a full interchange. The majority of the community of Cascade Locks has demonstrated through surveys and elections their approval of the Warm Springs Resort Casino. There have been many town halls and public meetings. I have been elected twice since this process began and local contested elections have been won by casino supporters. I hear from my constituents on this issue constantly.

There is significant support from local governments in Oregon and in Washington, because Washington State is our neighbor across the river, unanimous support from Hood River, Wasco, Skamania, and Klickitat Counties, plus local city governments, economic development organizations and chambers of commerce. I would like to submit these letters signed by 35 local officials into the record.

In the current NEPA scoping process, 80 percent of the comments are from outside the gorge, many of which are form letters. The Oregon gorge resident comments are positive, but comments from outside the area generally are not. It is not fair for urban dwellers outside the gorge to dictate to those of us most impacted, who are working to create a win-win project for two economically depressed communities.

The people who live here care about the gorge and about the future of our region. The Warm Springs are the only Oregon tribe with trust land in the National Scenic Area, and they are also in the unique position to be able to resolve the historic highway land use dispute on their trust land by moving the proposed casino away from Hood River, where it has met strong public opposition, to a new location, an alternate location welcomed by the community of Cascade Locks.

Therefore, allowing land in the tribe's original homeland, aboriginal territory, and land ceded in the Treaty of 1855, now known as Cascade Locks, to become trust land for a casino is not setting a precedent that could be replicated by any other tribe. The economic and environmental benefits to the people of Oregon, the region and the community, as described in the Governor's compact and in the memorandum of agreement with the City of Cascade Locks, are substantial.

The CHAIRMAN. Commissioner, you will have to summarize, since you are 2 minutes over your 5 minute time. Please summarize. As

I mentioned, your complete statement will be made part of the record. Thank you.

Ms. YORK. Okay. Regardless of whether this committee feels it is time to amend section 20, we urge the committee to include in any final legislative proposal a clause grandfathering certain in-process gaming proposals. In going forward, reaching agreements with local governments and the Governor should be first, before proceeding with the land-into-trust and the two-part determination process.

Then, the compact must be approved by the Secretary of the Interior, before the land-into-trust process. Otherwise, it jeopardizes the landowner, in our case the Port of Cascade Locks, because once the land goes into trust, it takes an act of Congress to revoke that status. If lands are taken into trust and then the compact is denied, both the landowner and the tribes lose.

Thank you very much for the opportunity and I will look forward to questions.

[Prepared statement of Ms. York appears in appendix.]

The CHAIRMAN. Thank you very much.

Mr. Lang, welcome.

STATEMENT OF MICHAEL LANG, CONSERVATION DIRECTOR, FRIENDS OF THE COLUMBIA GORGE

Mr. LANG. Thank you very much, Chairman McCain, for inviting me and Friends of the Columbia Gorge, and also sponsoring this forum. We have submitted written comments into the record. Also, we provided photographs that should help the committee understand the relationship between the Warm Springs Reservation, the site that is proposed in Cascade Locks, within the heart of a National Scenic Area, and the target gaming market, which is the Portland metropolitan area.

The CHAIRMAN. Without objection, these shall be made part of the record. Thank you very much.

Mr. LANG. Thank you.

We believe that the Columbia River Gorge National Scenic Area is a national scenic treasure that is worth protecting for our children and future generations, and should not be turned into a mecca for casino gaming. We believe that the Indian Gaming Regulatory Act has inadequacies. It does not properly allow the consideration of the adverse impacts to communities that are outside of the 10-mile radius circle that is put in place by rule.

We support your efforts to amend the Indian Gaming Regulatory Act to end off-reservation casinos, to stop the practice of reservation shopping, and also provide greater community consultation and approval generally for off-reservation casinos. We also would support removing a loophole in the legislation that would exempt current off-reservation proposals from the amendments.

Moreover, we support amending the Indian Gaming Regulatory Act to prohibit Indian gaming casinos in our national parks and our national scenic areas. Again, the Columbia River Gorge is a national scenic treasure. As mentioned by Congressman Wu, it is the only sea level passage through the Cascade Mountains. It stretches 85 miles, with cascading waterfalls and tremendous cliffs, and a di-

versity in wildlife and plants, with some found nowhere else in the world.

The Columbia River Gorge National Scenic Area Act was passed in 1986. It is a bipartisan effort that was signed into law by President Reagan. The national scenic area would be adversely affected by this casino proposal that started out as a 50,000-square foot facility in 1998, when it was initially proposed in the area around Hood River, and it has steadily grown since then.

Two years ago, it was up to 500,000 square feet. The compact signed by our Governor approved a 500,000-square foot casino, and we are very grateful that the Department of the Interior denied that compact. It gave us another chance to really evaluate the community impacts and the environmental impacts of this incredible proposal.

Since that time, the proposal, according to the casino EIS website, has grown to 611,000 square feet. Some comments were made previously about urban areas within our national scenic areas being intended for economic development. That is true, but economic development that is compatible with the protection and enhancement of the Columbia River Gorge National Scenic Area.

We had a proposal for a Wal-Mart in Hood River just a couple of years ago, which was denied. It was 180,000 square feet. We supported Commissioner York in voting to deny, to oppose that Wal-Mart. That is an example of how economic development is encouraged in the urban areas, but you cannot contain the impact of a 600,000-square foot casino with 3 million new visitors coming into the gorge every year, dramatically increasing traffic, increasing air pollution.

There is a significant air pollution problem in the gorge already. There are eagle nesting areas, osprey nesting areas, blue heron rookeries, spawning habitat for salmon and steelhead, both listed under the ESA, that are right in the vicinity of this proposal.

The Pacific Crest National Scenic Trail cuts down through the gorge on the bluffs right above the casino proposal. The scenic impact would be tremendous and they would be adverse.

I would like to talk a little bit about the current process with NEPA and also section 20's two-part determination. The NEPA review so far with this proposal has been inadequate. We feel that the BIA and the consultants working on this have tried to shape a proposal that leads to the conclusion of an off-reservation casino in the gorge, even to the point of proposing to eliminate on-reservation alternatives in the EIS.

The section 20 two-part determination we believe is completely inadequate. The 10-mile radius circle fails to take into account the concerns of the target market, and that is Portland, the Portland metropolitan area. Make no mistake, the Portland area is the target, but it is more than 10 miles away from the proposed site center, so the comments of the people of Multnomah County, of the city of Portland, of the surrounding communities are not taken into account under the current two-part determination.

Furthermore, because this is a proposal in the heart of a national scenic area, there is a national interest at stake that is not being considered under the current two-part determination. That is why we strongly support adding to the bill a prohibition of any casinos

within our national parks and national scenic areas, and also eliminating any loopholes. We feel that there is no legal basis whatsoever to have a loophole for the current proposal for a gorge casino.

It is a very speculative process. As Mr. Skibine testified earlier, there have only been three off-reservation casinos granted in the entire country. And also, it would be unfair to other tribes to allow one tribe to exploit the two-part determination, slam the door on all the other tribes in the State of Oregon who have chosen to live by our State's current prohibition of off-reservation casinos. So there is no legal basis for it, and it would be unfair to other tribes and to the State of Oregon.

I would just like to summarize, too, that Oregonians are overwhelmingly opposed to this proposal. Polling shows 63 percent of Oregonians are opposed to an off-reservation casino, and 68 percent would vote against this if it was put on the ballot in Oregon in the form of a ballot measure. Unfortunately, it is not because the current law and regulations do not allow adequate consideration of the enormous impacts of a casino in a national scenic area.

I will conclude my remarks with that. Thank you very much.

[Prepared statement of Mr. Lang appears in appendix.]

The CHAIRMAN. Thank you very much.

Ms. Schmit, welcome.

STATEMENT OF CHERYL SCHMIT, DIRECTOR, STAND UP FOR CALIFORNIA

Ms. SCHMIT. Thank you, sir.

My name is Cheryl Schmit. I am director of Stand Up For California. My organization serves as an advocate and information resource for community groups and policymakers at the local, State and Federal level, trying to understand and respond to the complexities surrounding the expansion of tribal gaming.

I thank you, Chairman McCain and Vice Chairman Dorgan and the committee members, for the many Senate hearings in which you have invited affected parties to participate in this policy debate essential to ensuring fairness, objectivity and accessibility on this complex and controversial issue.

Our organization supports the efforts of citizens who want to make sure that there are adequate protections for all communities potentially adversely impacted by unregulated gambling expansion. We do not seek to impede the economic progress and advancement of California's native peoples. Rather, we seek regulatory reforms that we believe are in the best interests of all the inhabitants of our State.

Reservation shopping in California is driven by the restored lands exception, not an abuse of gubernatorial concurrence or the two-part determination. There are currently 40 after-acquired land proposals in California, which tribes and gaming investors continue to promote restored lands and other mandatory exceptions under the section 20 of IGRA. This is being done specifically to preclude our Governor or local governments from having any say in the process since he has made clear his opposition to such blatant reservation shopping.

Gaming investors and tribes are intentionally seeking a restored lands exception to avoid the rigorous two-part secretarial process,

as well as the substantial scrutiny involved by requiring input from neighboring tribes, local governments, State agencies and the concurrence of the Governor.

Mandatory exceptions avoid the Office of Indian Gaming management, circumventing established guidelines and safeguards developed by that office to address the protections, involvement of affected governments and State agencies, and other nearby Indian tribes. Clearly, there is a need for a more collaborative approach to mandatory land acquisitions like the restored lands exception, especially whenever proposed acquisitions present serious environmental, taxation, jurisdictional and infrastructure problems, or a State or local community has a reasonable or legitimate objection.

Perhaps a special provision can be crafted for mandatory applications mandating that the Secretary of the Interior, upon request by a State or its cities, counties or parishes, come together with the affected parties early in the decision process, that there is a requirement to work out a solution to identified environmental, taxation, jurisdictional and infrastructure problems. As an incentive to working cooperatively, a fast track process could be offered greatly reducing the workload of the BIA officials, the need of the tribe to request ad hoc legislation, and most importantly eliminating local opposition and tribal gaming backlash.

We would rather the committee eliminate the mandatory aspects of the exceptions and require that all after-acquired lands go through the two-part determination and gubernatorial concurrence. Gubernatorial concurrence, judiciously used, solves land use problems such as casino development in sensitive environmental locations, or placement of a casino adjacent to public parklands, or social concerns over the health and public welfare that result from casino placements near homes, churches and schools.

Moreover, the elimination of the two-part determination creates reverse incentives, encouraging gaming investors to rewrite tribal histories to meet the exceptions in section 20 of IGRA, as we have and continue to witness in California.

Stand Up For California sincerely appreciates the opportunity to comment on off-reservation gaming and urges only a moderate modification to IGRA so not to upset this delicate balance between tribal, State and Federal levels of government.

Thank you.

[Prepared statement of Ms. Schmit appears in appendix.]

The CHAIRMAN. Thank you very much, Ms. Schmit.

Chairman Suppah, the Grand Ronde Tribe has testified that the Warm Springs Tribe proposed off-reservation would severely impact their on-reservation casino. How do you respond to that?

Mr. SUPPAH. I guess, Mr. Chairman, the simplest way is if you compare, I guess, competition at other places, maybe a good example may be the town of Phoenix, to where you have maybe 9 to 11 casinos and maybe by 4 or 5 different tribes, and all of them make it because I guess you could equate that to if you built a shopping center, you don't just put one store in there in order to attract the customers. You put a whole bunch of different, a variety of stores in there so that you have a better market.

I think that the indirect response would be along the lines of the market is far from saturated in our area, and the competition can only be healthy.

The CHAIRMAN. There is criticism, Mr. Chairman, that this casino would be located in a scenic area that has certain pristine qualities, that there are neither the roads nor infrastructure to handle the kind of traffic that patrons of a casino this size would entail. How do you respond to all of that, particularly the impact on what people claim, I think with validity, is one of the most beautiful parts of the State of Oregon?

Mr. SUPPAH. Mr. Chairman, I sincerely believe that the Confederated Tribes of Warm Springs would in no way ever jeopardize the environmental or the beauty of the Columbia River Gorge. That is our aboriginal home, and we still live there. I guess the best response that I could give to you today is that Warm Springs has been very proactive in putting together its gaming compact.

The EIS will ferret out all of the issues and concerns, and they will be grouped. These issues that you talk about are among those.

So I think that the draft EIS will be out this summer and the final EIS later on this year. So I think that it has been a very open and public process. I think that the tribes have worked vigilantly to respond to any and all of the questions.

The CHAIRMAN. Chairwoman Kennedy, you state in your testimony that the Grand Ronde has been historically opposed to off-reservation gaming. Is that true?

Ms. KENNEDY. That is true.

The CHAIRMAN. Yet I am told the Grand Ronde has sought an urban casino in or near Portland.

Ms. KENNEDY. That is true.

The CHAIRMAN. How do you reconcile your two statements?

Ms. KENNEDY. That is true. We originally held the on-reservation gaming until the Governor of Oregon made his declaration that he would approve off-reservation gaming. Of course, then as in any business, you have to look at your strategies.

The CHAIRMAN. I don't disagree that you have to look at your strategies, but if you say you have been historically opposed to off-reservation gaming, and then you sought a casino that was off-reservation, I do not know how you reconcile those two positions.

Ms. KENNEDY. Well, again we did, after the Governor said that, we have since re-thought that and stick with our original declaration. Of course, when rules change mid-stream, you have to move to protect your investment for your people. In our original testimony, we have invested over $150 million into our Spirit Mountain Casino to keep it very prestigious, to make sure that all of the attractions are there to generate the revenue that we have. It is our only source of revenue that we have. It is our only source of revenue. It is the engine behind which supports all of our tribal government services.

The CHAIRMAN. I understand all those things. I understand all that. Thank you very much.

Ms. KENNEDY. Thank you.

The CHAIRMAN. Commissioner York, you indicate there has been a lot of local discussion of the project. Many local government officials support it. Was there ever a town hall meeting?

Ms. YORK. Yes; in Hood River and in Cascade Locks, more than one in each city.

The CHAIRMAN. And how was the attendance?

Ms. YORK. Attendance was quite full at both of them. In Hood River, there is extreme opposition, particularly to the Hood River site, where the trust land is. In Cascade Locks, all of the town halls and all of the surveys have shown approximately 67 percent or more in favor, and in the last Port election, the Port Commissioner race between a pro-casino candidate and an anti-casino candidate was won by over 79 percent for the pro-casino candidate.

The CHAIRMAN. Mr. Lang, you say that you have been shut out of the NEPA process, but it appears you did participate in the scoping session and weighed in during the process. How would you suggest the process be changed so you are not shut out?

Mr. LANG. As far as being shut out in the process, that is in the two-part determination in particular. We feel that the 10-mile radius circle is something that may work in the Eastern United States, but as you well know, in the West communities are much more disperse. You may have to drive 10 miles to get a gallon of milk.

The CHAIRMAN. My question was, how were you shut out of the process if you were in the scoping and in the NEPA process?

Mr. LANG. Well, within the NEPA process, there was no true hearing. In the scoping meetings that were held, there were a lot of——

The CHAIRMAN. Did you attend those meetings that were scoping?

Mr. LANG. I absolutely did, but I——

The CHAIRMAN. Then I don't think you were shut out, Mr. Lang. Go ahead, please.

In other words, how the process should be improved, in your view.

Mr. LANG. In the NEPA process, how it could be improved is actually hold scoping hearings where the public can speak and participate in them; to have it so that it is not run by the consultants and the tribes. Having the attorneys for the tribe responding and answering questions directed at the BIA does not particularly help the public understand the BIA's role. That would certainly be an improvement.

Also, there were many requests for a scoping hearing near or on the Warm Springs Reservation. None was ever held. To have a hearing on or near the reservation allows tribal members to weigh in on this very important proposal. Petitions circulating now I have heard have 400 opponents, tribal members signed this petition opposed to an off-reservation casino in the gorge. So certainly holding hearings in other communities, in affected communities particularly near the reservation, would be a definite improvement in the process.

The CHAIRMAN. Thank you very much, Mr. Lang. If there are additional ways that you think that the process can be improved to increase participation I would appreciate it if you would submit it for the record. I thank you for your involvement.

Mr. LANG. Thank you very much.

The CHAIRMAN. Ms. Schmit, do you think the process for allowing gaming on initial reservations and restored lands should include gubernatorial concurrence?

Ms. SCHMIT. Definitely.

The CHAIRMAN. Do you think the legislature should play a role?

Ms. SCHMIT. Well, in California, our legislature is a bit predisposed at the moment. They are influenced significantly by campaign contributions from tribal governments. So it is very hard for a Governor to negotiate a compact with the tribe, and then have that compact ratified. We have two of those right now that are ready to be ratified and one of the tribes is now going to sue the State.

The legislature has put the State in a very difficult situation. These are tribes that have established reservations and they are very large tribes in very rural areas of the State. So I am not sure if the legislature needs to do anything more than an up or down vote.

The CHAIRMAN. I am told that the Governor of Oregon is here. Is that correct? Governor, would you mind joining us? We would be very honored to hear from you on this issue, if you would like to come up here and share your views with us. We would appreciate it. If you would like, we would be pleased if you would like to come up.

It is good to see you again, Governor, and thank you for honoring us with your presence. We would certainly for the record like to hear any views or any information you could provide us that could help us with this issue. Thank you, Governor.

STATEMENT OF TED KULONGOSKI, GOVERNOR, STATE OF OREGON

Mr. KULONGOSKI. Thank you, Senator.

Senator Smith, Congressman Wu, if I could, from a Governor's perspective, and I want you to understand how I see this. I am not a fan of gambling. If I were to try to come up with a way to give the tribes economic self-sufficiency, I am not sure I would have chosen this route, but this was what was given to us.

We have nine federally recognized tribes in the State. The Warm Springs are the largest land-based tribe in Oregon, with about a 620,000-acre reservation out in Eastern Oregon. They had a casino on a resort area called Kah-nee-tah. I was the attorney general for the State when that was put in out there. The tribe made their decision.

I want you to know that from my experience at that time, I knew that the issue of gaming was very controversial with the tribe, within the tribal membership itself. They took a vote of whether they wanted to even have the casino out at the resort, at Kah-nee-tah. They did.

When I received the request for them to sit down for another site, I talked to the tribe about other areas other than the Hood River site, which is the tribal land that they have, of which you have heard testimony on. There is a community outside of the reservation called Madras. They looked at that site.

I remember talking to them and my staff talking to them about another site on the highway down from, and Senator Smith and

Congressman Wu know, from Timberline Lodge, where the reservation starts, out on that highway. They did studies of that and found that the traffic flow was not sufficient economically to support the investment that they would have to make in it.

They came to me. I did not want the casino in Hood River. I did not think that was an appropriate site. There was an industrial land site in the community of Cascade Locks. It is a difficult area economically for the citizens in that area.

But what really drove me more than anything is the history of the Warm Springs, the tribe. It is a confederation of three tribes. They have some very serious problems. Their children go to school off-reservation. They have a very large dropout from that school, maybe somewhere between 70 percent and 80 percent.

I was driven more by the effort to give the tribe the ability to have some economic self-sufficiency to replace the lost revenue from their tribal general fund, which was primarily off of timber. They are no different than the Federal Government or the State government or the individual timber owners, that we have over-cut. They are now trying to rebuild.

I thought that this was the best way that they would have the ability to add additional revenue to their general fund that would provide for the social programs on their reservation. I know they want to have a school on the reservation to keep their kids there, and actually make a better effort to keep them, to get them to graduate.

Just a whole host of issues that I thought it was in the best interest of the tribe as a sovereign people and to the State of Oregon, to this particular reservation to see that they had the opportunity to be able to provide essential services to them. That is what drove me more than anything else to make the decision I did.

The CHAIRMAN. Well, Governor, we are very glad you came by. We appreciate your input.

Mr. KULONGOSKI. Thank you, Senator.

The CHAIRMAN. We appreciate your outstanding leadership of the State of Oregon. I know that, different from members of Congress, sometimes you have to make very tough decisions and take responsibility for it.

Mr. KULONGOSKI. I am where I am at, Senator. [Laughter.]

The CHAIRMAN. Thank you, Governor. And you are welcome to stay for the rest of the hearing.

Mr. KULONGOSKI. I am going to sit right in the back and watch.

The CHAIRMAN. You are welcome to remain where you are if you would like. Thank you, Governor.

Mr. KULONGOSKI. Thank you, sir.

The CHAIRMAN. Senator Smith.

Senator SMITH. Thank you, Mr. Chairman. Governor, welcome.

We really need the wisdom of Solomon on this one, Mr. Chairman. These are two great tribes in Oregon against one another, especially the Warm Springs and the Grand Ronde. To followup on your question to Cheryle Kennedy, Cheryle, isn't it, and this is just a flat-out question, if the Warm Springs proposal is denied, will you drop any pursuit of a casino in and around Portland?

Ms. KENNEDY. We certainly will. Again, it was triggered by Mr. Kulongoski's decision to declare that off-reservation was fair game.

Senator SMITH. Ron Suppah, you have heard the expression, we understand the economic need and the advantageousness of the site at Cascade Locks. We understand the tribal needs. You have heard Mr. Lang and others speak to the environmental concerns in this beautiful area of our State. The environmental impact statement and study that will be made, what special efforts will you make to protect the environment in Cascade Locks?

Mr. SUPPAH. Senator Smith, thank you for being here today. We appreciate your presence.

I believe, as we have worked through this process, Senator, beginning when we started negotiating with the Governor, all of these things were kind of like included in the discussions all the way through. Then we started meeting with the locals, again we had several meetings with the communities of Cascade Locks and Hood River and Stevenson, and we discussed these things at that time, too.

But I guess if you maybe take a look at our gaming compact, you will find that as we have built and structured our gaming compact for approval and concurrence by the Governor, all of these things are included in there, including the issue of the increased traffic and the impact on the air.

I think that we intend to work not only with Oregon, but with Washington's Department of Transportation, and there is a regional planning group that already exists. If we work things out, then the alternatives to individual cars versus some sort of mass transport, or whether that is buses, you know, different alternatives to where you can maybe park and go to the casino. I think that we are only beginning to take, we are in the initial phases of that planning.

Senator SMITH. Ron, if eventually you are not successful at the Cascade Locks site, will you pursue, then, your rights in Hood River?

Mr. SUPPAH. Yes; we would have to because in the Whalen report, which did the feasibility and economic study on six different sites——

Senator SMITH. The site that the Governor spoke of earlier, from Timberline Lodge toward, I guess, the Bend area——

Mr. SUPPAH. If you are familiar with Highway 26——

Senator SMITH. I am. There is a lot of development in Bend. Is the traffic sufficient now that the study would come out differently as to the economics?

Mr. SUPPAH. No; we don't believe it would. I think that with the feasibility study that we have accomplished, a site on Highway 26 would not contribute anything more than the existing Kah-nee-tah site.

Senator SMITH. The reason I am struggling, Mr. Chairman, is polling has been mentioned. There is no question that my State is overwhelmingly opposed to a casino along the Columbia River. But at the same time, my State wishes no ill toward the Warm Springs. They would like them to be successful. Finding an answer to this is extremely difficult.

Carol, isn't it a fact that the town halls you had in Cascade Locks favored the casino, and as I think you indicated in Hood River, they were overwhelmingly opposed to a casino there.

Ms. YORK. Yes; that is correct, Senator Smith. I think the position that we are in, as the local government that is there for both sites, is that the tribe has trust land in Hood River, buildable for a casino, but in nearly everyone's mind, an inappropriate location for the casino, which is why we have worked so hard to develop an alternative location in Cascade Locks, to try to be proactive and create something that will work for both the tribes and for our county and the region and the State and the Nation, since it is a National Scenic Area.

Senator SMITH. Well, the interests of the State of Oregon is they really do not want off-reservation gambling. That is just a fact. I do not think that is going to change. The difficulty is that the site that they could do it on, you don't want. The site that they are trying to do it on, Oregon opposes.

I think, Mr. Chairman, this is the great dilemma we have is to craft this legislation in a way that is fair to these newly recognized tribes, but also understand the sensitivities of the environment, the sensitivities of the people. The Governor is in a very tough spot. I wish both these tribes well, and I do not have an easy answer to this. It ultimately should be allowed to run its legal course, and it will be what it will be. But this is a case for Solomon.

The CHAIRMAN. Thank you very much.

Congressman Wu, would you like to say anything?

Mr. WU. Thank you very much, Mr. Chairman.

Chairman Suppah, you were good enough to list out some numbers. I believe you mentioned that over $4 million has been spent by the Warm Springs Tribes in this effort; $8 million for some other efforts; and $9 million to take this process to completion. Could you describe those numbers for us again, exactly what they are, just once again for my recollection?

Mr. SUPPAH. Congressman Wu, good morning. Just generally, all of those numbers, Chairman McCain, are listed in our written testimony. We would be willing to provide a copy to Mr. Wu. But just generally speaking, we have been working on this site for about seven years, and to date the tribe has spent approximately $10 million.

Mr. WU. What were the $4 million, $8 million, and $9 million numbers that you cited earlier?

Mr. SUPPAH. The $4 million would be basically the moneys that we have spent to date just to kind of set up for the eventual approval with the Governor and the State of Oregon, whether that was buying chips such as the 175 acres that we purchased in and around the Hood River site, investment in legal fees, investment in design and conceptual work.

The $8 million is pretty much what we have spent to date on the EIS process; and the $9 million would be kind of like looking further on down the road to where if our project is approved, then we would anticipate that to finish up the environmental impact statement, et cetera, and also hire an official design company to formally say this is what you are going to have. We are anticipating spending around $9 million more.

So we have a really high investment, not only in time, but tribal moneys. But we feel like the investment risk is worth, I guess, the outcome that we are looking toward.

Mr. WU. Yes, Mr. Chairman; so by your own numbers and my arithmetic, I am looking at a $21-million figure when this is all said and done, if it is ever done. I also wanted to go back, when this proposal was first brought up in 1998, if the alternative site had been picked on Highway 26, you might have been able to get a casino built, say, by 2000 or 2001.

So if we count up 5 years of lost revenues from full operation, let's say that you made $2 million a year at the Cascade Locks site, and $1 million a year on the Highway 26 site, this is a $21-million plus $5 million lost revenue adds up to $26 million. It would probably take you 40 years with the Cascade Locks site to make up the revenue that the tribe has lost by choosing to fight in the Columbia River Gorge, rather than building on Highway 26.

The reason why I am going through this numerical exercise is that in many respects, I view the tribe as an equal victim as the Columbia River Gorge because the tribe has been paying a lot of people fees that it would not otherwise have to pay if it had chosen a site on-reservation on Highway 26. It will take you decades, it will take the tribe decades to make that revenue up. I just feel very, very badly that the tribe is victimized in the same way that the gorge might potentially be victimized if the casino is every built.

Mr. SUPPAH. Congressman Wu, I disagree with your math, because if we looked at the Whalen report and we looked at the investment that my tribe would have to make in building a casino on the reservation, and the time for amortization to pay for that back, would ultimately just would not pencil out to, I guess if we put it in the simplest terms, avoidance of deficit budgeting, and stabilizing our financial situation and building toward self-sufficiency.

And the options and alternatives that we had explored, the one that is the best that would stabilize our future for many generations is the Cascade Locks site, and that is why we are aggressively pursuing trying to get this project approved.

The CHAIRMAN. Thank you very much.

Thank you very much, Congressman Wu.

I thank the witnesses for being here. The overall issue of this two-part determination has been submerged a little bit because of this issue, but this is I think an example of the kind of challenges we face with this process. The witnesses have been very helpful today. I know you have all come a long way to be here. I thank you for your attendance today. This has been very helpful to the committee. Thank you very much.

This hearing is adjourned.

[Whereupon, at 11:20 a.m., the committee was adjourned, to reconvene at the call of the Chair.]

APPENDIX

ADDITIONAL MATERIAL SUBMITTED FOR THE RECORD

PREPARED STATEMENT OF CHERYL SCHMIT, DIRECTOR, STAND UP FOR CALIFORNIA

My name is Cheryl Schmit. I am director of Stand Up For California. My organization serves as an advocate and information resource for community groups and policymakers at the local, State, and Federal level, trying to understand and respond to the complexities surrounding the expansion of tribal gaming.

We thank you Chairman McCain and Vice Chairman Dorgan and committee members for the many Senate Hearings in which you have invited affected parties to participate in a policy debate essential to ensuring fairness, objectivity and accessibility in this complex and controversial issue.

Our organization supports the efforts of citizens who want to make sure that there are adequate protections for all communities potentially adversely impacted by unregulated gambling expansion. We do not seek to impede the economic progress and advancement of California's native peoples; rather we seek regulatory reforms that we believe are in the best interests of all the inhabitants of our State.

Reservation shopping in California is driven by the restored lands exception not an abuse of gubernatorial concurrence. There are currently 40 after acquired land proposals in California which tribes and gaming investors continue to promote restored lands and other mandatory exceptions under section 20 of IGRA. This is being done to specifically preclude our Governor from having a say in the process, since he has made clear his opposition to such blatant reservation shopping attempts.

Gaming investors and tribes are intentionally seeking a "Restored lands Exception" to avoid the rigorous two-part secretarial process, as well as the substantial scrutiny involved by requiring input from neighboring tribes, local governments, state agencies and the concurrence of the Governor.

The "restored lands" exception found in IGRA makes the acquisition of newly acquired lands mandatory. This mandatory exception ties the hands of a States Governor eliminating the opportunity for flexibility, cooperation or meaningful agreements. The exception reduces the decisionmaking process of the Secretary of the Interior's involvement to nothing more than a ministerial act of approval.

Yet the process of the "restored lands" determination is a gray area. There is a set of vague guidelines used as standards by the National Indian Gaming Commission and the BIA in determining restored lands. Since there is no Federal regulation in place, this is a gray area and has left room for both political and gaming money influence.

Determinations are often based on a "sliding scale" in which the relationship to the land wanted, the intensity of the development and the availability of the alternatives all play a role. Tightening the definition of restored lands helps but potentially only increases the influence of gaming money on the process.

Currently in California the NIGC is charged with determining if a tribe meets the criteria of a "restored tribe" or "restored lands" at the same time. These are two separate questions that unduly affect local government's ability to comment wholly and fully on each question independently, and present a serious cost to community

taxpayers. Moreover, NIGC's determination is not a final agency action, where is the opportunity to challenge the determination of restored tribe or restored lands?

Mandatory exceptions totally avoid the Office of Indian Gaming Management-circumventing established guidelines and safeguards developed by that office to address environmental protections, involvement of affected governments and state agencies and other nearby Indian tribes.

Clearly there is a need for a more collaborative approach to mandatory land acquisitions like the restored lands exception. Especially whenever proposed acquisitions present serious environmental, taxation, jurisdictional and infrastructure problems or a State or local community has reasonable and legitimate objections.

Perhaps, a special provision can be crafted for mandatory applications mandating the Secretary of the Interior upon request by a State or one of its cities, counties or parishes to come together with affected parties early in the decision process. That there is a requirement to work out solutions to identified environmental, taxation, jurisdictional and infrastructure problems. As an incentive to working cooperatively a fast track process could be offered greatly reducing the work load of BIA officials the need for tribes to request ad hoc legislation and most importantly eliminating local opposition and tribal gaming backlash.

We ask that this committee give grave consideration to any language that would limit, restrict or end the two-part determination or gubernatorial concurrence. The problem is not gubernatorial concurrence (section 2719 (b)(1)(a)) as there have only been three withholdings of gubernatorial concurrence in the last 17 years and more than 35 instances of tribes acquiring land through the mandatory exceptions in IGRA.

We would rather the committee consider eliminating the mandatory aspect of the exceptions and require that all after acquired lands go through a two-part determination with gubernatorial concurrence.

Gubernatorial concurrence judiciously used solves land use problems such as casino development in sensitive environmental locations, or placement of a casino adjacent to public and park lands or social concerns over the health and public welfare that result from casino placement near homes, churches, and schools.

Moreover, the elimination of the two-part determination creates reverse incentives encouraging gaming investors to re-write tribal histories to meet the exceptions in section 20 of IGRA as we have and continue to witness in California.

Stand Up For California sincerely appreciates the opportunity to comment on off reservation gaming and urges only moderate modifications to IGRA, so not to upset the delicate balance between the rights and authorities of states, tribes and the Federal Government.

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February 24, 2006

The Honorable John S. McCain
United States Senator
Chairman, Committee on Indian Affairs

The Honorable Byron L. Dorgan
United States Senator
Vice Chairman, Committee on Indian Affairs

Re: S. 2078, Section 10 and the Pending Application of the St. Croix Chippewa Indians of Wisconsin and the Bad River Band of the Lake Superior Tribe of Chippewa Indians to Take 26 Acres of Land Into Trust in Beloit, Wisconsin for Gaming Purposes

We are counsel to the St. Croix Chippewa Indians of Wisconsin (the "St. Croix Tribe") in its application filed with the Bureau of Indian Affairs ("BIA") seeking a favorable determination to bring 26 acres of land into trust for the purposes of establishing a casino in Beloit, Wisconsin. This is a very strong project initiated in 2000 which is currently in the later stages of the regulatory approval process. It has been strongly supported by the elected officials of the City of Beloit and the Rock County Board of Supervisors (the County which the project will be located).

The application was filed in August 2001 on behalf of the St. Croix Tribe and the Bad River Band of the Lake Superior Tribe of Chippewa Indians ("Bad River Band") (hereafter referred to as "the Tribes"). The Tribes will manage the casino and the adjacent hotel and restaurant facilities. There are no outside developers involved in this project. As of the current time, the Tribes have jointly spent in excess of $1 million in developing the project and seeking regulatory approvals. A substantial portion of these funds has been spent for various outside consultants involved in the NEPA process. All of these undertakings have been made in reliance on the presently existing statutory provisions of IGRA. The Tribes, as well as the City of Beloit, are strongly of the view that this application should continue to be considered under existing law as it now stands. Should Congress decide to amend the off-reservation casino provisions of IGRA, the Tribes' application should, nonetheless, continue to be considered under present law. So that you can gain a full understanding of the strength of the project and the reasons for its overwhelming local support, we are providing pertinent information below.

A. The Tribes

The St. Croix Chippewa reservation consists of scattered parcels located in three counties in northwest Wisconsin. The reservation is composed of small tracts of land and ten communities. The Tribe operates a casino in Turtle Lake, Wisconsin as well as two small gaming facilities in the area. The Tribe also operates two hotels, a convenience store/gas station, a grocery/retail store and a commercial aquaculture facility. In an effort to diversify its economy, the Tribe has recently been undertaking efforts to develop power generation facilities on Tribal lands, including both a biomass and a conventional power facility. It has received grants from both the Department of Energy and the BIA to carry out feasibility studies for these projects.

The St. Croix Tribe's revenues have proven inadequate to adequately fund health care services with drastically decreased federal funding provided to its members and to provide required basic services, such as housing and education, as well as the infrastructure required for sewer, water, roads, parks/recreation and solid waste collection. The Tribe has a potential Indian labor force of approximately 1,750 with an unemployment rate of 29%. Among employed Tribal members, 8.5% earn income below the poverty level. many of the reservation's homes are overcrowded and considered substandard. There is a need for additional housing for all segments of the St. Croix population.

The Bad River Band's reservation is located in northwestern Wisconsin. It consists of some 125, 000 acres of primarily undeveloped wilderness land. Its revenues are derived from a casino, harvesting wild rice from Lake Superior and operating a fish hatchery. The Band's annual revenues are $10-14 million per year. These revenues have been proven inadequate to adequately fund the services needed for community services such as health care, solid waste and recycling, water and sewer and day care. On the reservation, there is a potential labor force of about 700 individuals but only some 400 are employed. More than 80% of the Band's labor force is earning very low and low to moderate incomes.

B. The Regulatory approval process pursued by the Tribes

In late 1990's, the City of Beloit approached the Bad River Band with the proposition of having a tribal casino in Beloit. After some initial discussions with the City, the Bad River Band brought the St. Croix Tribe into the project essentially as an equal joint venture partner. On April 11, 2001, and updated most recently on January 4, 2005, the Tribes and the City of Beloit entered into an Intergovernmental Agreement for Services. The Rock County Board voted to approve the Agreement on February 23, 2003. Under that Agreement, the Tribes have agreed to make certain payments to the City, which are, in turn, to be shared (on a stated percentage basis with Rock County) to mitigate the increased demand for a range of municipal services, new improvements to the infrastructure and the like.

In August of 2001, the Tribes filed their application with the BIA to take the proposed casino site, consisting of 26 acres, into trust. The acreage has consistently been used for agricultural purposes. The Tribes then commenced the lengthy and demanding NEPA process. On August 19, 2003, a draft Environmental Assessment ("EA") was released for public

comment. The draft EA took more than a year to prepare. With few isolated exceptions, the only opposition to the project has been that coming from two other Indian tribes who have raised concerns about the competitive effect which a proposed casino would have on their own casinos. However, several years ago, the federal circuit in which the project will be located ruled that under IGRA, tribes are not protected from fair competition caused by another tribe's casino. See Sokaogon Chippewa Community, et al. v. Babbitt, et al., 214 F. 3d 941, 947 (7th Cir. 2000).

After the public comment for the EA had closed, it became known that the federal government strongly preferred that an Environmental Impact Statement ("EIS") be prepared for all off-reservation casino applications. Heeding the change in policy, the Tribes requested and received from the BIA its approval for an EIS process to be undertaken. That greatly expanded NEPA process came at considerable expense to the Tribes. A Notice of Intent to prepare an EIS appeared in the Federal Register on May 3, 2004. The project went through the required "scoping" process by the Regional Office. Thereafter, a draft EIS was prepared. A Notice of Availability of the draft EIS appeared in the Federal Register on January 28, 2005. After further comments were received, and a public meeting held, a draft final EIS has been prepared by the Regional Office. It is currently in the final review process at the BIA's Central Office in Washington, D.C. On a parallel track, the finalized Section 20 ("IGRA") documentation and proposed findings are expected to be forwarded at the end of this month (or during the first week of March) from the Regional Office to the Central Office for its review and determinations. The Tribes have been informed that the Central Office will complete its review two months thereafter.

C. The Project and its strong local support

After the completion of construction, the Tribes' project would create 3,000 new jobs at the project site with projected annual earnings for these workers of $81 million. In addition, the project will create more than 3,000 new jobs in the immediate area for those working with businesses benefiting from the additional services which a project of this size will require both for the project itself and to service its visitors. Some 5,000,000 annual patrons are projected to visit the site, 90% of whom will travel from areas outside of Rock County.

The project has been strongly supported by local elected officials both in Beloit and in Rock County. The Beloit City Council has passed four Resolutions (dated July 2, 2001, May 6, 2002, September 2, 2003 and February 7, 2005) reaffirming the City's support for the project and requesting as well that the BIA approve the Tribes' off-reservation casino application. Similarly, the Rock County Board of Supervisors passed Resolutions of support on February 23, 2003 and January 13, 2005. The City of South Beloit, Illinois, located only a mile away, has also passed a Resolution of support.

Local officials have also directly appealed to the BIA on numerous occasions to approve the project. As these representatives have stated, Beloit and the surrounding area have experienced serious economic decline in recent years. Numerous factories have closed in Rock County and in Winnebago County, Illinois (located immediately to the south). Thousands of jobs have been lost. As a result, the unemployment rate in Beloit is 9.25% and almost at that

level in Rock County. They tell the story as to why the elected officials in the area are so strongly supportive of the project. The Tribes' project is the only one on the drawing boards in the region which will restore any meaningful number of jobs.

The difficult economic plight experienced in the region, and the seminal importance of the Tribes' project in turning the economy around, has been the subject of a number of letters from elected officials to the Department of the Interior. Several are attached.

In a letter dated February 17, 2005 to the BIA from Beloit City Council President Terrence Monahan, he stated:

> The Beloit City Council believes that the Casino Project in Beloit would not only benefit the Bad River and St. Croix Tribes, but would also greatly enhance economic development within the Greater Beloit area. For some time, Beloit and Rock County have suffered economic distress due in part to a reduction in manufacturing jobs over the past decade. . .The City Council fully supports this initiative and urges your office to look favorably upon the [Draft Environmental Impact statement] and, ultimately, to approve the application for this project.

In another letter dated March 14, 2005 from Council President Monahan and Larry Arft, the Beloit City Manager, they wrote (page 3):

> The Beloit Casino, by creating 1,500 construction jobs and 5,000 direct and indirect jobs, will reduce unemployment in the area including Rockford and Winnebago County. Both Rockford and Winnebago County have experienced a stagnant local economy in the last few years. Unemployment rates have been rising steadily since 2000 and are currently around 8-9%. The area is highly industrialized. Yet, the region has been victimized by numerous factory closings in the last decade and the permanent loss of thousands of living wage jobs. The area's communities need to diversify their employment mix away from traditional manufacturing employment. The casino project will provide that opportunity.
>
> Beloit, Rock County and many surrounding communities have, time and again, strongly endorsed and supported the casino project. They have done so because it is absolutely certain that the economy in the entire region, including Wisconsin and Illinois, will be significantly improved.

By letter dated March 14, 2005, Randy Kirichkow, the Mayor of South Beloit, wrote to the BIA. He stated, in pertinent part:

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> Currently, the unemployment rate in Winnebago County is about 9%. It is this high because the region has been decimated over the last five years by numerous factory closings. The Beloit Corporation went out of business approximately five years ago.. At one time it employed 3,500 individuals with operations in Beloit, Wisconsin and in Rockton, Illinois. Black and Decker closed its operation in Beloit, Wisconsin about five years ago. Rockford, Illinois, located 12 miles to south of South Beloit has traditionally relied on manufacturing. It formerly was the machine tool capital of the United States. However, it has suffered from numerous factory closings and has lost approximately 15,000 jobs in the past five years.
>
> * * *
>
> The casino will provide an enormous boost to the economy of South Beloit, Illinois. . .Currently, there are three new motels which are proposed to be built in South Beloit, Illinois. Their construction is waiting until the casino has been approved. We have a large retail complex ready to build as well. . .[T]here is a 1% sales tax in South Beloit. . .[sales tax revenues] will obviously grow in a considerable manner with increased revenues from casino traffic. . .
>
> * * *
>
> The troubled economy in Winnebago County, Illinois was recently addressed in a public statement by. . .the Winnebago County Board Chairman. . .In it, he states: "The primary problem we face today is the stagnant local economy." He also said: ". . .we have a tattered manufacturing sector, declining wages relative to the rest of the nation and a loss of skilled jobs."
>
> * * *
>
> Should, for any reason, the Beloit casino not become a reality, this will represent an enormous setback for the economy in South Beloit, Winnebago County and, in fact, the entire region. On behalf of the City of South Beloit, Illinois and the unanimous vote of its City Council, I urge you to approve the Beloit Casino Project.

More recently, on August 8, 2005, Larry Arft, the Beloit City Manager, wrote to George Skibine. He stated:

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> While having an economic need for a project of this scale, the City also has in place the infrastructure and the public services that are required to support the casino, along with the planned accompanying development. The community has continued to view the casino as a win-win for both the Tribes and the City.
>
> * * *
>
> . . .Once again, the City is very enthusiastic about this project and, in addition to a quick review, urges a positive recommendation as well.

In a letter to George Skibine dated August 11, 2005 from Richard K. Ott, Chair of the Rock County Board of Supervisors, Mr. Ott stated:

> We urge you to direct BIA regional staff to forward you the completed application as soon as possible so that the Bureau may most expeditiously make a decision on approval. . .The project would help address the significant economic needs of the Tribes while providing significant economic development opportunities for Rock County, the City of Beloit, and communities in Northern Illinois. . .Again, we ask that you take action to move this project forward and approve the Trust Application as soon as possible.

Finally, in a letter dated August 22, 2005 to Mr. Skibine from Tammy Baldwin, the Congressional Representative for the Beloit area, Representative Baldwin stated:

> As the Representative for Wisconsin's Second Congressional District, I urge you to give top priority to this project so that it can move quickly through its final stages of approval.
>
> * * *
>
> The people in the Greater Beloit area remain strong in their support for the Beloit Casino Project which is projected to provide a tremendous stimulus to the local economy and a large economic benefit to the applicants, the Bad River and St. Croix Band of Chippewa Indians. The [EIS] has addressed all of the concerns raised, and the City of Beloit, Rock County and the two tribes are anxious to move forward and get this project started. The resulting
>
> jobs will have a significant impact on the local economy on both sides of the state line in the Greater Beloit area.

Conclusion

The Tribes' Beloit casino project is designed to meet significant unmet needs of the Tribes and to improve the well being of its members. It has been met with strong support from local elected officials (as well as their constituents) in their continuing efforts to reverse the substantial economic decline which Beloit and the surrounding area have suffered over recent years. After undergoing considerable expense, the Tribes have finally gotten the project to a point where the required decisions by the BIA will be made within the next several months. (If the determinations are favorable, the required concurrence of the Governor will then be sought.) The Tribes respectfully submits that it would be unfair for the rules and the laws on which they have been relying, over these past five-plus years, in the utmost of good faith, to change at this late date. For these reasons, the Tribes submit that if the Congress decides to amend IGRA so as to restrict or possibly eliminate the approvals by the BIA of off-reservation casino applications, then it be done in a manner which allows the Tribes' application to still be considered for approval under the existing provisions of IGRA.

Respectfully submitted,

Robert M. Adler
Counsel to the St. Croix Chippewa Indians
of Wisconsin

City of
BELOIT, Wisconsin

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February 17, 2005

U.S. Department of the Interior
Bureau of Indian Affairs
Midwest Region
ATTN: Mr. Terry Virden, Office of the Area Director
Bishop Henry Whipple Federal Building
One Federal Drive
Room 550
Fort Snelling, Minnesota 55111

RE: Resolution of Support from Beloit City Council for Draft Environmental Impact Statement Concerning the Tribal Casino Project in Beloit, Wisconsin

Dear Mr. Virden:

Please find attached a certified copy of a resolution that was unanimously adopted by the Beloit City Council at a regular meeting held on Monday, February 7, 2005. The resolution again reaffirms the unanimous support of the Beloit City Council for the application sponsored by the Bad River and St. Croix Bands of the Lake Superior Tribe of Chippewa Indians to construct a casino within the corporate limits of the City of Beloit, Wisconsin.

The Beloit City Council believes that the Casino Project in Beloit would not only benefit the Bad River and St. Croix Tribes, but would also greatly enhance economic development within the Greater Beloit area. For some time, Beloit and Rock County have suffered economic distress due in part to a reduction in manufacturing jobs over the past decade. Construction of a casino, hotel and the related facilities would positively impact the local economy, creating approximately 3,000 jobs and, more importantly, disposable income within the Greater Beloit area.

The Draft Environmental Impact Statement is a comprehensive study of the project describing the many positive effects that the Casino and related development would have on Beloit. The City Council fully supports this initiative and urges your office to look favorably upon the DEIS and, ultimately, to approve the application for this project.

Should you have questions, comments, or need any additional information from the City of Beloit, do not hesitate to contact my office.

Sincerely,

Terrence T. Monahan
City Council President

Att.

Cc: Beloit City Council
Larry N. Arft, City Manager
Joe Hunt, Beloit Casino Office

City of
BELOIT, Wisconsin

CITY HALL • 100 STATE STREET • BELOIT, WI 53511
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I, Carol S. Alexander, City Clerk of the City of Beloit, Rock County, Wisconsin, do hereby certify that the attached is a certified copy of a Resolution adopted by the City Council of the City of Beloit, Wisconsin, at a regular meeting held on February 7, 2005.

Carol S. Alexander
Carol S. Alexander, CMC
City Clerk

Dated at Beloit, Wisconsin
This 8th day of February 2005

Carol S. Alexander, CMC
City Clerk
City of Beloit
100 State Street
Beloit, WI 53511

FILE # 1950

FEB 7 2005

CITY OF BELOIT
CITY CLERK

A RESOLUTION
REAFFIRMING SUPPORT FOR THE TRIBES' APPLICATIONS
CONCERNING A PROPOSED CASINO DEVELOPMENT
IN THE CITY OF BELOIT

WHEREAS, the City of Beloit ("City"), the Bad River Band of Lake Superior Chippewa Indians of Wisconsin and the St. Croix Chippewa Indians of Wisconsin (collectively "Tribes") entered into an Intergovernmental Agreement ("IGA") dated April 11, 2001; and

WHEREAS, Rock County, Wisconsin became a party to that agreement in March of 2003; and

WHEREAS, the focus of the IGA is to outline the duties, responsibilities and obligations of the various parties concerning the construction of a casino and related development within the boundaries of the City (hereinafter "Project"); and

WHEREAS, the proposed Project will generate upwards of 3,000 jobs, most of which will be filled by City, county and other local residents; and

WHEREAS, the Project will generate economic growth in the City; and

WHEREAS, the Project was the subject of a city-wide nonbinding referendum in November of 2000; and

WHEREAS, 61% of the citizens of the City of Beloit who voted in the November 2000 election voted in favor of the Project; and

WHEREAS, pursuant to section 1(B) of the IGA, the City has agreed to "support the Federal Trust Application consistent with" the IGA; and

WHEREAS, the City Council of the City of Beloit has previously passed resolutions reaffirming support for the Project on several occasions; and

WHEREAS, the Environmental Impact Statement prepared for this project by the Tribes is undergoing review by the BIA and public comments have been solicited by the agency as part of the review process; and

WHEREAS, the City Council of the City of Beloit has determined that it is in the best interest of the Tribes and the citizens of Beloit that the application be approved.

NOW, THEREFORE, the City Council of the City of Beloit, Rock County, Wisconsin, hereby resolves that it reaffirms its support for the Tribes' applications to acquire property for placement in trust and to conduct off-reservation gaming activities on that property in the City of Beloit.

BE IT FURTHER RESOLVED that the City Council of the City of Beloit hereby requests that the BIA and U.S. Department of Interior grant the Tribes' applications consistent wit the terms and conditions of the IGA of the parties.

Adopted this 7th day of February, 2005.

BELOIT CITY COUNCIL:

Terrence T. Monahan, President

Martin Densch, Vice-President

Douglas Eddy, Councilor

Kevin DeLavy, Councilor

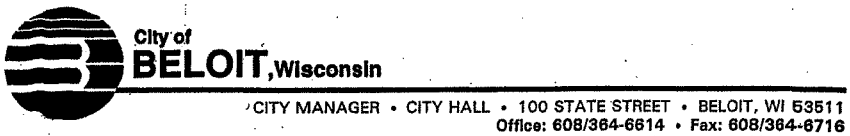
Joel Paich, Councilor

James Van De Bogart, Councilor

Chad Murry, Councilor

Attest:

Carol S. Alexander, CMC, City Clerk



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Office: 608/364-6614 • Fax: 608/364-6716
http://www.ci.beloit.wi.us
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March 14, 2005

Mr. Terrance Virden
Director Bureau of Indian Affairs-Midwest Region
Bishop Henry Whipple Federal Building
One Federal Drive, Room 550
Ft. Snelling, Minnesota 55111

RE: Draft EIS for the Beloit Casino

Dear Mr. Virden:

On behalf of the City of Beloit, Wisconsin, we are writing in response to the letter sent to you dated March 2, 2005 from various legislators in Illinois. We ask that this letter be included in the comments your office has received on the draft EIS for the Beloit Casino Project.

In their letter, the legislators assert that the casino will be harmful to the regional economy, particularly in Winnebago County, Illinois. These 11th hour objections are offered without any factual support and absolutely run counter to the widely-established and accepted fact in this region that the Beloit casino is the one and only identified project which will significantly help a troubled regional economy. These legislators simply have it backwards when they claim that the casino will hurt the economy. Without the casino, the 8-9% unemployment rate will remain.

We respond on a point by point basis to the economic arguments raised by the legislators.

(1) The casino will not have a negative impact on existing and proposed casinos in Illinois.

There are no casinos in Illinois within 50 miles of Beloit. There are two casinos in Illinois located between 50 and 100 miles from Beloit. The proposed casino in Beloit is unlikely to have, as a result of competition, any negative economic impact on the

Grand Victoria Casino in Elgin and the Hollywood Casino in Aurora due to their close proximity to Chicago.

There have been discussions about a proposed Riverboat Casino in Rockford; however, no specific plans or approvals exist. The *Rockford Register Star*, in its editorial of March 8, 2005, characterized Rockford's prospects for a riverboat as "dreaming." The paper went on to admonish the Rockford leaders to "stop their selfish opposition."

(2) The casino will have a positive impact on employment opportunities in Winnebago County.

Many of the 3,000 direct jobs and 2,000 indirect jobs which will be created by the casino project will be filled by residents of Rockford and Winnebago Counties. Rockford (with a population of 150,000) and Winnebago County have unemployment rates that have been rising steadily since 2000 and are currently in the 9% range. They should have ample capacity in the work force to contribute workers to staff a recognizable portion of the 1,500 construction jobs and the 5,000 direct and indirect permanent jobs that would be created by the casino.

A project of this size is expected to take approximately 12 to 18 months to construct. Based on estimated construction costs of $200M; approximately 69% (or $138 million) of the total development costs will be comprised of construction materials and site work expenditures, including an estimated construction payroll of $62 million which equates to more than 1,500 full-time equivalent construction jobs. Rockford, having several large construction companies, as well as service and goods suppliers of various types, should benefit significantly from this project.

Once operational, the casino will create approximately 3,000 permanent new jobs, offering an annual payroll of more than $86 million and over $18 million annually in additional employee benefits. In addition, an estimated 2,000 indirect jobs will be created as a result of the increased demand by businesses providing goods and services to the proposed facility. It is expected that employees will travel reasonable distances from their homes in Rock and Winnebago Counties to work at the casino and businesses serving the casino and its visitors. The following employment comparison for the City of Beloit, and Rock and Winnebago Counties indicates that there is an ample supply of unemployed workers to fill the jobs created.

Mr. Terrance Virden
March 14, 2005
Page 3

2003 Employment Comparison for the City of Beloit, and Rock and Winnebago County

	City of Beloit	Rock County	Winnebago County
Labor Force	17,329	78,986	146,159
Persons Employed	15,646	73,594	133,493
Persons Unemployed	1,683	5,392	12,666
Unemployment Rate	9.7%	6.8%	8.7%

(3) The casino will not drain revenue from Winnebago County hotels, theatres, movies, water parks and other entertainment venues.

The proposed casino in Beloit is a destination casino and recreation complex. Most of the entertainment venues in Winnebago County rely on local visitors.

Of the estimated 5 million annual visitors to the proposed Beloit Casino Resort, there will be patrons who will not only visit the proposed casino resort for the day, but also spend the night at the casino hotel, as well as other motels in and around the Beloit area. Others will stay in motels in surrounding areas as they travel to and from the casino.

The casino hotel is estimated to achieve a stabilized occupancy rate of 75 percent, which equates to 136,875 room nights per year. The hotel will not be able to accommodate all the overnight guests attracted by the casino. Accordingly, area hotels/motels will benefit from the addition of the proposed Beloit Casino Resort. An additional 101,500 room nights annually will be needed, which is enough to support an estimated 400 additional hotel rooms at an annual occupancy rate of 70 percent.

Overnight guests will not only spend money at the proposed Casino Resort, but at area gas stations, retail establishments and attractions.

(4) The casino will reduce regional unemployment.

The Beloit Casino, by creating 1,500 construction jobs and 5,000 direct and indirect jobs, will reduce unemployment in the area including Rockford and Winnebago County. Both Rockford and Winnebago County have experienced a stagnant local economy in the last few years. Unemployment rates have been rising steadily since 2000 and are currently around 8-9%. The area is highly industrialized. Yet, the region has been victimized by numerous factory closings in the last decade and the permanent loss of thousands of living wage jobs. The area's communities need to diversify their employment mix away from traditional manufacturing employment. The casino project will provide that opportunity.

Beloit, Rock County and many surrounding communities have, time and again, strongly endorsed and supported the casino project. They have done so because it is absolutely certain that the economy in the entire region, including Wisconsin and Illinois, will be significantly improved.

Should you have any questions about the issues addressed in this letter, please do not hesitate to contact either of us.

Sincerely,

Terrence T. Monahan
President, City Council

Larry N. Arft
City Manager

cc: Speaker J. Dennis Hastert
Honorable Gale Norton
Director, Office on Indian Gaming
Senator Richard J. Durbin
Senator Barack Obama
Congressman Donald Manzullo
Congressman Richard W. Pombo
Congressman Paul Ryan
Congresswoman Tammy Baldwin

City of South Beloit, Illinois

TOP OF THE STATE

March 14, 2005

Mr. Terrance L. Virden, Director
Midwest Region, Bureau of Indian Affairs
Bishop Henry Whipple Federal Building
One Federal Drive Room 550
Ft. Snelling, Minnesota 55111

Re: Draft EIS for the Proposed Beloit Casino Project

Dear Mr. Virden:

As the Mayor of South Beloit, Illinois, I feel compelled to respond to the letter dated March 2, 2005 sent to you by a number of Illinois legislators. I request that this letter be included in the comments received during the comment period in response to the draft EIS for the proposed Beloit Casino Project.

The March 2, 2005 letter makes a number of assertions that the proposed casino would have a negative impact on the economy of northern Illinois. In all due respect to the representatives who signed this letter, these statements could only have been made without any basic understanding of the poor economic conditions which exist in Winnebago County, Illinois (in which South Beloit, Illinois is located) and how this proposed casino project is the only – I repeat, the only – business proposal on the drawing boards which will turn a very weak economic situation around.

Before describing the reasons why the Beloit casino is so important to this region, I thought I would provide some background on myself. I lived in Beloit, Wisconsin for the first 20 years of my life and, thereafter, moved to South Beloit, Illinois where I became involved in owning and managing real estate. I was first elected to public office in 1999 when I became a City Council Member. I was the Commissioner of Accounts and Finance for the City during the time that I was on the City Council from 1999 until 2003. As Commissioner of Accounts and Finance, I was responsible for the overall finances for the City of South Beloit as well as overseeing all purchases made by the City. In April, 2003 I was elected as Mayor of South Beloit, Illinois and my term will expire in April, 2007.

South Beloit, Illinois currently has a population of about 6,600 people. Its current largest employer is the Ramada Inn which has 90 employees. A cookie factory, owned by Ralcorp, will open in about six months. It should employ about 200 people. Currently, the unemployment rate in Winnebago County is about 9%. It is this high because the region has been decimated over the last five years by numerous factory closings. The Beloit Corporation went out of business approximately five years ago. At one time it employed 3,500 individuals with operations in Beloit, Wisconsin and in Rockton, Illinois. Black and Decker closed its operation in Beloit, Wisconsin about five years ago. Rockford, Illinois, located 12 miles to south of South Beloit has traditionally relied on manufacturing. It formerly was the machine tool capital of the United States. However, it has suffered from numerous factory closings and has lost approximately 15,000 jobs in the past five years.

519 Blackhawk Boulevard South Beloit, Illinois 61080 Telephone 815-389-3023 Fax. 815-389-8830

Mr. Terrance Virden
March 14, 2005 Page 2

South Beloit's economy is tied closely to Beloit, Wisconsin. The two cities exist side by side although located in different states. The proposed Beloit casino should reverse the economic decline which South Beloit, Illinois and Winnebago County have experienced. There are many well qualified people living in South Beloit, Illinois. They are looking for work but the jobs simply are not there. For some time, they have been looking forward to construction jobs as well as other employment opportunities which the casino will create. Once completed, employment at the casino will be available to great numbers of South Beloit, Illinois residents as well as others in Winnebago County.

The casino will provide an enormous boost to the economy of South Beloit, Illinois in other ways as well. Currently, there are three new motels which are proposed to be built in South Beloit, Illinois. Their construction is waiting until the casino has been approved. We have a large retail complex ready to build as well. The casino itself will only be one-quarter mile away from the South Beloit, Illinois city limits. Much of the traffic from the south to and from the casino will utilize the South Beloit, Illinois exit off Interstate 90. There are two large travel plazas at that exit. In that there is a 1% sales tax in South Beloit, Illinois; sales tax revenues from these two operations already comprise a recognizable percentage of our total tax base. This will obviously grow in a considerable manner with increased revenues from casino traffic. The major motel in South Beloit, Illinois is the Ramada Inn. However, it has an occupancy rate of only 38%. Obviously, that will increase once the casino opens.

The troubled economy in Winnebago County, Illinois was recently addressed in a public statement by Scott Christiansen, the Winnebago County Board Chairman. A copy is attached. (It is posted on the County's website.) In it, he states: "The primary problem we face today is the stagnant local economy." He also said: ".....we have a tattered manufacturing sector, declining wages relative to the rest of the nation and a loss of skilled jobs." I certainly share Chairman Christiansen's concerns.

On March 8, 2005 lead editorial in the Rockford Register Star took strong exception to the opposition of Rockford Mayor Doug Scott and State Senator Dave Syverson to the casino (attached). According to the editorial, their opposition is fundamentally based on their concern that a Beloit casino would hurt a proposed riverboat casino which Rockford has been "dreaming" for some ten years. According to the paper, Scott and Syverson ".....don't see the good that can come from it." This is strictly an ugly attempt to bring politics in at the final hour to kill this casino.

Should, for any reason, the Beloit casino not become a reality, this will represent an enormous setback for the economy in South Beloit, Winnebago County and, in fact, the entire region. On behalf of the City of South Beloit, Illinois and the unanimous vote of its City Council, I urge you to approve the Beloit Casino Project.

Sincerely yours,

Randy Kirichkow

Randy Kirichkow
Mayor
City of South Beloit, Illinois

Cc: Speaker Dennis Hastert
Honorable Gale Norton
Director, Office on Indian Gaming
Senator Dick Durbin
Senator Barack Obama
Congressman Don Manzullo
Congressman Richard Pombo
Congressman Paul Ryan
Congresswoman Tammy Baldwin

Rockford Register Star rrstar.com

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Published: March 8, 2005

Editorial

Rockford leaders should stop fighting Beloit casino

We're seeing the typical Rockford attitude in the debate about a casino in neighboring Beloit, Wis. It's the old "If-we-can't-get-it-you-shouldn't-get-it-either" approach.

The Editorial Board has supported bringing a riverboat casino to Rockford for as long as city leaders have wanted one, but we think Rockford's efforts to stop Beloit's project are wrong.

ROCKFORD MAYOR Doug Scott and state Sen. Dave Syverson are on record opposing the Beloit casino, which has been in the works for more than five years. Rockford's been dreaming -- repeat, dreaming -- about a riverboat at least twice that long. The city is no closer to having a boat today than it was when Illinois issued the first 10 gambling licenses in the early 1990s.

Scott and Syverson are worried that Rockford's high rollers will go to Beloit to spend their dollars instead of keeping that money in Illinois. Scott thinks the federal Indian Gaming Act prohibits off-reservation casinos and sent his community development director, Jim Caruso, to Beloit to read a letter objecting to the project at a public hearing Feb. 22.

Syverson complained that Rockford couldn't compete with a mega-entertainment complex subsidized by gambling revenue. He probably thinks the slot machines will be too loose, too.

So much for regionalism. You remember the concept: Communities working together for the greater good of the entire region. Scott and Syverson are taking a myopic view of the Beloit project and don't see the good that can come from it.

The Bad River Band of Chippewa and the St. Croix Chippewa want to build a 100,000-square-foot casino with 3,000 gaming machines and 75 to 100 table games. That's the key to the project, but it's only a part of what's being planned.

A hotel, convention, shopping and entertainment complex are part of the deal. There's a plan for a music theater that could be

home base for Rockford's Cheap Trick.

KURT CARLSON -- he's a Rockford guy -- is the casino developer and brother of Cheap Trick's Bun E. Carlos. Carlson says that most of the 3,000 permanent jobs and contracts for the casino will go to folks in Winnebago County.

Why? Because that's where the people are.

You don't have to stretch your imagination to see development on both sides of the state line.

There's another Rockford connection with mega-developer Ken Hendricks of Janesville, Wis., the man Scott entrusted to come up with a plan for the Barber-Colman factory on Rock Street. Hendricks, who has been credited with revamping Beloit's downtown, is rightfully ticked off by Scott's opposition to the casino. Hendricks said if Rockford continues its wrongheaded efforts, "then I'm done with Rockford. If this is the way Rockford plays ball, they've just cut the lines between Illinois and Wisconsin."

Economics 101: You don't want to upset a man who Forbes magazine estimates is worth $850 million, who has a successful track record of building things on both sides of the state line and who encourages his 700 to 800 employees in Beloit to fly out of Rockford's airport.

THERE'S ALSO THE matter of what people want. In 2000, 60 percent of Beloit voters said yes to a referendum supporting the casino. Residents of Beloit, Janesville and Lake Geneva have praised the project during public meetings.

Winnebago County residents have not had the opportunity to weigh in on a Rockford riverboat. Eleven years ago, 76 percent of Winnebago County voters said yes on an advisory referendum that asked whether gambling proposals should be approved by voters. People still are waiting for a chance to vote on a specific proposal.

Beloit has had that chance and the people have spoken. They want a casino.

Rockford leaders need to figure out how to make the best of the situation, stop their selfish opposition, and show that they support regionalism even when someone else wins the jackpot.

Print This Page Close window

Rockford Register Star rrstar.com

City of
BELOIT, Wisconsin

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August 8, 2005

Mr. George Skibine, Director
Indian Gaming Management
BIA, US Dept. of Interior
1849 "C" Street, NW
Room 4543
Washington, DC 20240

RE: Submittal of Final Draft – Environmental Impact Statement for the off-reservation casino to be located in the City of Beloit, Wisconsin

Dear Mr. Skibine:

The Beloit Casino Project remains a much sought after component of the City's economic development strategy, and the community eagerly awaits the outcome of the application process. I have taken the liberty of attaching the last of five resolutions unanimously adopted by successive City Councils, articulating their support for this project. The Tribes recently completed the Final Environmental Impact Statement (FEIS), which includes resolutions of support from other local governments, including the Rock County Board, which is also a party to the Intergovernmental Agreement. During the recently completed public comment period on the draft EIS, 280 positive comments were received, while only 10 were negative. This response ratio (28:1 positive) further illustrates the positive support for this project within the Greater Beloit community.

While the City's economy has improved somewhat in recent years, property values are still well below the State average and our unemployment rate still hovers around 7%, which is well above the State's unemployment average, as well. While having an economic need for a project of this scale, the City also has in place the infrastructure and the public services that are required to support the casino, along with the planned accompanying development. The community has continued to view the casino as a win-win for both the Tribes and the City.

As you know, we have been waiting five years, now, for a decision on this project. With the completion of the Final Environmental Impact Statement, I believe all of the components are now in place for the Agency to complete its application review. I therefore urge that you instruct the regional office to complete an expeditious review of the documents and forward a recommendation to the Washington office. Once again, the City is very enthusiastic about this project and, in addition to a quick review, urges a positive recommendation as well.

Should you have questions or need any additional information from the City of Beloit, do not hesitate to contact my office. As previously stated, we deeply appreciate the time and effort that you and your staff, both at the regional level and in Washington, have extended to reviewing this project application.

Sincerely,

Larry N. Arft
City Manager

LNA:pl

C: Gale Norton, Secretary of the Interior
Governor Jim Doyle
U.S. Senator Russell Feingold
U.S. Senator Herbert H. Kohl
U.S. Representative Tammy Baldwin
U.S. Representative Paul Ryan
State Senator Judy Robson
State Representative Chuck Benedict
Martin Densch, Council President
Beloit City Councilors
Chairman Donald Moore, Sr., Bad River Band of Lake Superior Chippewa Indians
Chairman David Merrill, St. Croix Chippewa Indians of Wisconsin
Herb Nelson, BIA Midwest Regional Office
Joe Hunt, Tribal Representative
Robert Adler, O'Connor & Hannan, LLP
Richard K. Ott, Chair, Rock County Board of Supervisors
Beloit Rock County Supervisors
Randy Kirichkow, Mayor, South Beloit, Illinois
Cos A. Daguanno, Chair, Town of Beloit
Jim Brandenburg, Chair, Town of Turtle
Craig Knutson, Rock County Administrator

City of
BELOIT, Wisconsin

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I, Carol S. Alexander, City Clerk of the City of Beloit, Rock County, Wisconsin, do hereby certify that the attached is a certified copy of a Resolution adopted by the City Council of the City of Beloit, Wisconsin, at a regular meeting held on February 7, 2005.

Carol S. Alexander
Carol S. Alexander, CMC
City Clerk

Dated at Beloit, Wisconsin
This 8th day of February 2005

Carol S. Alexander, CMC
City Clerk
City of Beloit
100 State Street
Beloit, WI 53511

FILE # 7850

FEB 7 2005

CITY OF BELOIT
CITY CLERK

A RESOLUTION
REAFFIRMING SUPPORT FOR THE TRIBES' APPLICATIONS
CONCERNING A PROPOSED CASINO DEVELOPMENT
IN THE CITY OF BELOIT

WHEREAS, the City of Beloit ("**City**"), the Bad River Band of Lake Superior Chippewa Indians of Wisconsin and the St. Croix Chippewa Indians of Wisconsin (collectively "**Tribes**") entered into an Intergovernmental Agreement ("**IGA**") dated April 11, 2001; and

WHEREAS, Rock County, Wisconsin became a party to that agreement in March of 2003; and

WHEREAS, the focus of the **IGA** is to outline the duties, responsibilities and obligations of the various parties concerning the construction of a casino and related development within the boundaries of the **City** (hereinafter "**Project**"); and

WHEREAS, the proposed **Project** will generate upwards of 3,000 jobs, most of which will be filled by City, county and other local residents; and

WHEREAS, the **Project** will generate economic growth in the **City**; and

WHEREAS, the **Project** was the subject of a city-wide nonbinding referendum in November of 2000; and

WHEREAS, 61% of the citizens of the City of Beloit who voted in the November 2000 election voted in favor of the **Project**; and

WHEREAS, pursuant to section 1(B) of the **IGA**, the **City** has agreed to "support the Federal Trust Application consistent with" the **IGA**; and

WHEREAS, the City Council of the City of Beloit has previously passed resolutions reaffirming support for the **Project** on several occasions; and

WHEREAS, the Environmental Impact Statement prepared for this project by the Tribes is undergoing review by the **BIA** and public comments have been solicited by the agency as part of the review process; and

WHEREAS, the City Council of the City of Beloit has determined that it is in the best interest of the **Tribes** and the citizens of Beloit that the application be approved.

NOW, THEREFORE, the City Council of the City of Beloit, Rock County, Wisconsin, hereby resolves that it reaffirms its support for the **Tribes'** applications to acquire property for placement in trust and to conduct off-reservation gaming activities on that property in the City of Beloit;

BE IT FURTHER RESOLVED that the City Council of the City of Beloit hereby requests that the **BIA** and U.S. Department of Interior grant the **Tribes'** applications consistent wit the terms and conditions of the **IGA** of the parties.

Adopted this 7th day of February, 2005.

BELOIT CITY COUNCIL:

Terrence T. Monahan, President

Martin Densch, Vice-President

Douglas Eddy, Councilor

Kevin DeLeavy, Councilor

Joel Patch, Councilor

James Van De Bogart, Councilor

Chad Murry, Councilor

Attest:

Carol S. Alexander, CMC, City Clerk

RECEIVED
AUG 15 2005
CITY MANAGER

ROCK COUNTY, WISCONSIN

Board of Supervisors
51 South Main Street
Janesville, WI 53545
(608)757-5510
Fax (608)757-5511

August 11, 2005

Mr. George Skibine, Director
Indian Gaming Management
Bureau of Indian Affairs
United States Department of Interior
1849 C Street, N.W.
Room 4543
Washington, DC 20240

Dear Mr. Skibine:

It is our understanding that with the issuance of the Final Environmental Impact Statement (FEIS) for the Beloit Casino Project, the Trust Application for the project will be essentially complete. We urge you to direct BIA regional office staff to forward you the completed application as soon as possible so that the Bureau may most expeditiously make a decision on approval.

The Rock County Board of Supervisors approved resolutions in 2003 and 2005 supporting the Tribes' application and has pledged, though participation in the Intergovernmental Agreement, to provide County services to the Beloit Casino. Support for the project is strong, and the provisions of the Intergovernmental Agreement, as well as the findings of the FEIS and the recent Gaming Market Impact Study, demonstrate that the effects of the project on Rock County and surrounding areas will be positive. The project would help address the significant economic needs of the Tribes while providing significant economic development opportunities for Rock County, the City of Beloit, and communities in Northern Illinois.

Again, we ask that you take action to move this project forward and approve the Trust Application as soon as possible. Please let us know if there is any additional information Rock County can provide that would be of assistance.

Sincerely,

Richard K. Ott
Chair, Rock County Board of Supervisors

Craig Knutson
County Administrator

cc: Gale Norton, Secretary of the Interior
Governor Jim Doyle
U.S. Senator Herb Kohl
U.S. Senator Russ Feingold
U.S. Representative Tammy Baldwin
U.S. Representative Paul Ryan
Senator Judy Robson
Representative Chuck Benedict
Chairman Donald Moore, Sr., Bad River Band of Lake Superior Chippewa Indians
Chairman David Merrill, St. Croix Chippewa Indians of Wisconsin
Joe Hunt, Tribal Representative
Martin Densch, Council President, City of Beloit
Larry Arft, City Manager, City of Beloit

TAMMY BALDWIN
2ND DISTRICT, WISCONSIN

Website: tammybaldwin.house.gov

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OVERSIGHT AND INVESTIGATIONS
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AND HAZARDOUS MATERIALS

Congress of the United States
House of Representatives
Washington, DC 20515

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FAX: (608) 258-9808

400 EAST GRAND AVENUE, SUITE 402
BELOIT, WI 53511
TEL.: (608) 362-2800
FAX: (608) 362-2838

August 22, 2005

Mr. George Skibine, Director
Office of Indian Gaming Management
Bureau of Indian Affairs, U.S. Dept. of Interior
1849 C Street N.W.
Washington, D.C. 20240-0001

Dear Mr. Skibine,

I understand that the Beloit Casino Project has been delivered to the Regional Office of the Bureau of Indian Affairs (BIA) and that the next step is for the BIA to issue a Final Environmental Impact Statement (FEIS). As the Representative for Wisconsin's Second Congressional District, I urge you to give top priority to this project so that it can move quickly through its final stages of approval.

The people in the Greater Beloit area remain strong in their support for the Beloit Casino Project which is projected to provide a tremendous stimulus to the local economy and a large economic benefit to the applicants, the Bad River and St. Croix Band of Chippewa Indians. The FEIS has addressed all of the concerns raised, and the City of Beloit, Rock County and the two tribes are anxious to move forward and get this project started. The resulting jobs will have a significant impact on the local economy on both sides of the state line in the Greater Beloit area.

I fully and enthusiastically support the Beloit Casino Project initiative and appreciate your timely attention to this matter. Should you have any need for further information, please do not hesitate to contact my office.

Sincerely,

Tammy Baldwin

Tammy Baldwin
Member of Congress

TB:hf

100 Maryland Avenue NE, Room 311, Washington, DC, 20002 ~ (800) 664-2680 ~ ncalg@ncalg.org

March 5, 2006

Senator John McCain, Chairman
Senate Indian Affairs Committee

Senator McCain and Committee,

The National Coalition Against Gambling Expansion appreciates your invitation to submit testimony to be used by your committee in determining the proper course of action regarding tribal gambling in the United States. The sister organizations of the National Coalition Against Legalized Gambling and the National Coalition Against Gambling Expansion (NCALG/NCAGE) are the only truly national organizations that inform the public and our elected public officials about the negative social and economic effects of gambling expansion. We work with affiliates in 38 states to help stop the expansion of gambling in the nation. We have a unique perspective that needs to be considered in your decision making process.

GAMBLING AND POLITICAL CORRUPTION

Equal parts of gambling and politicians fill a standard recipe for political corruption. Illinois Senator Paul Simon stated that gambling "...has more of a history of corruption than any other industry."

In the past few decades scores of state legislators in Kentucky, Arizona and South Carolina have been convicted or plead guilty to various gambling related charges. Legislative leaders in Missouri, Maryland and Florida were similarly charged. In the Mahoning County of Ohio, police officers, sheriffs, judges, and mayors were investigated by the FBI for Mob related gambling. Louisiana had dozens of state lawmakers investigated by the FBI, gaming control board members indicted, and the governor convicted on various gambling related charges.

Gambling is not just another industry on the business landscape. Our country just staggers from one gambling related political corruption debacle to the next.

TRIBAL GAMBLING's UNIQUE PROBLEMS

Although gambling in general is rife with corruption, tribal gambling is the least regulated, the least transparent and the least accountable form of gambling in the U.S.

Tribal casino leaders repeatedly state that tribal gambling is the most regulated form of gambling, since they are subject to tribal, state and federal regulation and oversight. The truth is that all three layers of regulation range in effectiveness from woefully inadequate to non-existent.

Tribal casino regulation has the same tribal leaders ultimately responsible for its operation—that would be similar to having Donald Trump regulating the Taj Mahal Casino. State regulation is mostly non-existent because of tribal sovereignty. Federal examiners are spread far to thin to do even a cursory job. There are less than a third of the federal examiners to investigate over 400 tribal casinos than there are state examiners in Atlantic City to investigate 12 casinos.

On April 27, 2005, Earl E. Devaney, Inspector General for the Department of the Interior, testified before this Senate Committee for Indian Affairs. He underlined the inadequate federal regulation of tribal gambling that exists across the country today. He said, "Absent sound regulation, these Indian casinos and financial operations remain extremely vulnerable to criminal exploitation."

TRIBAL CAMPAIGN FINANCING INEQUITIES

McCain-Feingold campaign financing legislation made it possible for tribal casinos to donate huge amounts of money to political candidates that would have been illegal for other individuals, PACs or groups. Also reporting of campaign contributions by tribes is inadequate on the federal level and almost non-existent on the state level. Accountability is missing. This has resulted in a flood of money injected into the political process without proper oversight and regulation. If it hasn't corrupted all the public officials involved, it has certainly corrupted the political process that it touched.

REMEDY

This combination of terrors laid the foundation for the corruption of the political process produced in the Abramoff scandal. It was too inviting for an enterprising lobbyist with an overly flexible conscience to resist. Tweaking campaign financing law, or a minor revision of IGRA will not be sufficient to prevent similar scandals in the future.

A major rewrite of campaign financing law needs to be accomplished. NCAGE recommends that the tribes should be held to the same aggregate cap as other individuals, or fall under the same regulations and restrictions that apply to PACs or Corporations. Reporting requirements should be the same for tribal or non-tribal entities. If sovereignty is flexible enough to allow tribes to vote in state and federal elections and contribute to candidates, it should also be flexible enough to submit to necessary campaign finance regulations.

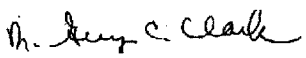
IGRA needs a major revision to help prevent corruption of the political process and other major problems from recurring.

- Tribal gambling needs every bit as much regulation and oversight as commercial gambling. This should be carried out by state and/or federal agencies.
- Tribal recognition needs a specific statutory protocol that requires historical, political and genealogical continuity to govern the issuing of tribal recognitions.
- The process of setting land in trust for the purpose of establishing off-reservation casinos needs to be systematized, and allow for state legislatures and local communities to have veto power over the process.
- Class II and Class III games need to have definitions reworked to prevent a blurring of the distinctions between the two. If a game looks and plays like a slot machine, it should be a Class III gambling device, regardless of whether or not the internal wiring or software is a bit different.
- Tribes should only be allowed the same specific type and scope of gambling that is legal in the rest of the state in question. Tribal gambling desires should not trump state constitutional law. If state statutory or constitutional law forbids types or scope of gambling, tribes should not be able claim "bad faith" if the state refuses to negotiate compacts that allow that type or scope of gambling on the reservation. One night "Las Vegas" nights for charities, with small prizes and profits, should not be the basis to allow tribes to develop full-blown casinos. Lotteries shouldn't justify slot machines. "Exclusivity" should be an unacceptable standard for tribal gambling, and should be recognized as illegal monopoly power.

These and other revisions that are necessary to make IGRA more just and equitable cannot be hatched in a few committee hearings over a month or two. NCAGE strongly recommends that the US Senate and House of Representatives support a two year moratorium on tribal recognitions and reservation shopping by enacting the language of H.R. 2353, sponsored by Congressman Mike Rogers. This should allow time, during which these and other IGRA excesses are remedied.

NCAGE certainly hopes that wisdom and fairness prevail in the Senate Indian Affairs Committee while they deal with these difficult decisions.

Cordially,



Dr. Guy C. Clark, chairman of the board
NCALG/NCAGE

Cheryle A. Kennedy
Tribal Council Chairwoman
Confederated Tribes of the Grand Ronde Community of Oregon

Testimony
Before the United States Senate Committee
on Indian Affairs

Oversight Hearing on Indian Gaming
February 28, 2006

On behalf of the Confederated Tribes of the Grand Ronde Community of Oregon ("Grand Ronde" or "Tribe"), I respectfully submit the following comments on Senator John McCain's bill, S. 2078, to amend the Indian Gaming Regulatory Act ("IGRA"). These comments address only the bill's amendment to Section 20(b)(1)(A) of IGRA containing the "two-part determination" exception to the prohibition against gaming on lands acquired in trust after October 17, 1988. I thank the distinguished members of the Committee for providing Grand Ronde the opportunity to submit testimony as part of this hearing on Senator McCain's proposed legislation. Please make these comments part of the official hearing record.

Since 1996, Grand Ronde has opposed efforts by tribes to have land taken into trust for gaming outside original reservation boundaries or not adjacent to a current reservation. Grand Ronde's opposition to off-reservation gaming stems from our concern that off-reservation casinos (1) weaken public and government support for Indian gaming (2) undermine the purpose of IGRA - to promote development of strong reservation economies through on-reservation casinos, and (3) invite disputes among tribes when located in areas where more than one tribe has a significant historical connection.

Our concerns are not speculative. Public opinion polls in Oregon[1] show that Oregonians currently support Indian gaming on reservation lands. However, the polls also show that Oregonians are concerned about the expansion of gaming and fear, as does Grand Ronde, that approval of an off-reservation casino under the two-part determination process will lead to a proliferation of casinos near urban areas. A gaming initiative was, in fact, recently filed in Oregon by private developers seeking to operate a casino in Troutdale, a city near Portland. These developers were no doubt encouraged by the Governor's recent approval of Oregon's first off-reservation casino at Cascade Locks, the Cowlitz Tribe's efforts to build a casino sixteen miles north of Portland, and the Yakama Nation's statements about locating a casino near Portland.

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[1] See attached Oregon Statewide Survey conducted by Mercury Public Affairs on May 10, 2005.

In light of our concerns, and consistent with our historic opposition to off-reservation gaming, Grand Ronde supports legislation eliminating the two-part determination exception. This legislation, however, should be evenhanded, without loopholes - like the one contained in S. 2078 - which would allow continued consideration of two-part determination trust applications for some tribes and not others. Grand Ronde therefore opposes, and urges the Committee to reject, language in S. 2078 which permits the Secretary to continue processing two-part determination trust applications under review at the BIA Central Office prior to November 18, 2005.

Specifically, Grand Ronde objects to Section 10(A)(i) of the bill, which provides that the prohibition against gaming on lands acquired in trust after October 17, 1988, "will not apply when, before November 18, 2005, the Secretary reviewed, or was in the process of reviewing, at the Central Office of the Bureau of Indian Affairs, Washington, DC, the petition of an Indian tribe to have land taken into trust for purposes of gaming . . . ." This language is ambiguous; it is unclear at what point in time a petition to take land into trust becomes a petition that the Secretary "*was in the process of reviewing, at the Central Office.*" We believe it to mean when a complete acquisition package is submitted by a Regional Director to the Central Office (See Office of Indian Gaming Management's Checklist for Gaming Acquisitions and IGRA Section 20 Determinations, March 2005). However, some might read "the process of reviewing" to include earlier Central Office involvement with gaming-related trust acquisitions. For example, Acting Assistant Secretary Skibine and his office work with Regional BIA offices to review draft environmental impact statements well before a complete acquisition package is submitted to the Central Office.

Of equal, if not greater, concern, is the bill's failure to treat gaming tribes evenhandedly. The bill would permit some tribes to pursue off-reservation casinos in lucrative urban markets, while depriving other tribes the same opportunity. This disparity in treatment is especially egregious in a state like Oregon where tribes have invested millions of dollars in on-reservation casinos under a state policy which, until recently, prohibited off-reservation gaming. Grand Ronde has invested approximately $150 million in its on-reservation Spirit Mountain Casino.

Until last year, the State of Oregon had an Indian gaming policy limiting each Oregon tribe to one on-reservation casino. The compact between the State of Oregon and Grand Ronde, as well as the gaming compacts with other Oregon tribes, reflects this policy. This policy changed last May when Oregon's Governor signed a new gaming compact with the Confederated Tribes of Warm Springs, authorizing the State's first off-reservation casino in the Columbia River Gorge town of Cascade Locks. Warm Springs filed a two-part determination application to take lands in Cascade Locks into trust for gaming. To our knowledge, no other Oregon tribe negotiated a gaming compact for an off-reservation casino between the time the Governor changed the State's off-reservation gaming policy and the time S. 2078 was introduced. Warm Springs would therefore be the only tribe in Oregon that could benefit from the recent change in the State's off-reservation gaming policy if S. 2078 is adopted in its current form.

In building and investing in Spirit Mountain Casino, Grand Ronde based significant economic decisions on the State's long-standing policy against off-reservation casinos. An off-reservation

casino in Cascade Locks would have significant adverse impacts on Grand Ronde's reservation economy. Cascade Locks is forty miles from the Portland, Oregon metropolitan area - the market from which Spirit Mountain Casino draws most of its customers. Our analysis indicates that an off-reservation casino in Cascade Locks would result in a loss of revenue at Spirit Mountain of at least twenty-two percent, if not more. The loss of Spirit Mountain Casino's customers and revenue to an off-reservation casino in Cascade Locks would have a devastating impact on the Tribe's ability to provide critical services and meaningful employment opportunities to Tribal members, particularly if the Tribe is foreclosed from pursuing an off-reservation casino of its own in order to protect its investment.

Warm Springs has the largest reservation in Oregon[2] at more than 640,000 acres. It has a diverse economic base that includes forest products, hydroelectric power, ranching, recreation, and tourism. In contrast, Grand Ronde is a restored tribe with a small reservation of approximately 11,000 acres. Our on-reservation casino is the only significant source of revenue for the Tribe. It would be unfair to permit Warm Springs, with their large reservation, to pursue an off-reservation casino that would so severely impact Grand Ronde's investment in on-reservation gaming.

As a final point, we believe off-reservation casinos invite disputes between tribes when more than one tribe has a historical connection to a proposed gaming site. Grand Ronde has a long historical and cultural connection to the Cascade Locks area. The ancestors of Grand Ronde tribal members lived along the Columbia River since time immemorial. In the Treaty of January 22, 1855, antecedent bands and tribes of Grand Ronde ceded lands along the Columbia River, from Oak Point east to Cascade Falls. Chief Tamolth signed this treaty on behalf of the Watlala Tribe ("of Tumawaters") of the Gorge. His descendants are well represented among the Grand Ronde people today.

Grand Ronde understands and supports Warm Springs' desire to meet the needs of its membership, but meeting the needs of its membership should not come at the expense of the on-reservation economy of another Oregon tribe. This is particularly true when Warm Springs could pursue a viable on-reservation alternative to meet its needs. We believe a casino on the Warm Springs Reservation, near the town of Warm Springs, is an economically viable alternative to an off-reservation casino in Cascade Locks, and one the Confederated Tribes of Grand Ronde could support. Such a casino would draw a significant number of patrons from and around the City of Bend. Bend is located in Deschutes County, the fastest growing county in the State of Oregon for the past ten years. Bend is the largest city in Central Oregon with an adult population expected to exceed 123,000 by 2009.

* * *

In sum, IGRA's two-part determination exception to the prohibition against gaming on lands acquired in trust after October 17, 1988, should be eliminated. However, the elimination of this

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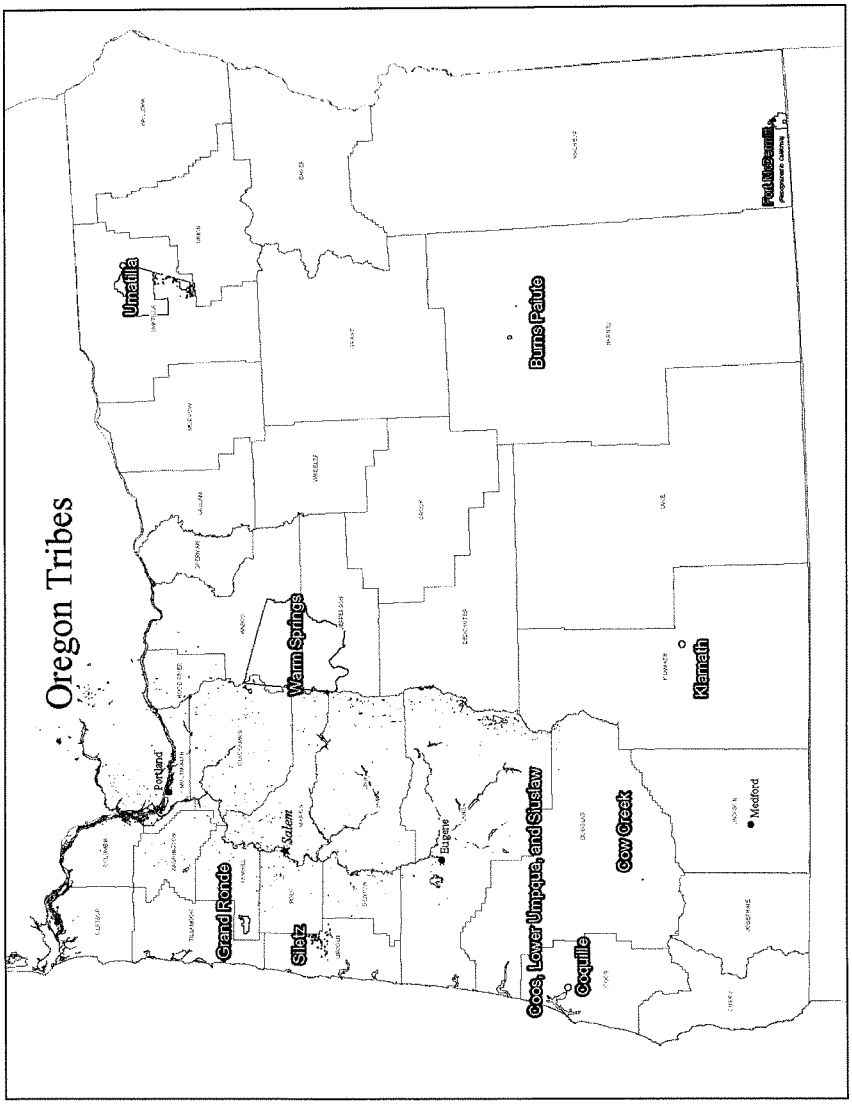
[2] See attached map depicting reservations of Oregon tribes.

exception should be done without a loophole which allows continued consideration of some two-part determination applications and not others.

Grand Ronde appreciates your efforts to consult with Indian Country regarding gaming issues as they are critical to the economy and welfare of our Tribe, our Reservation and our members. Thank you for your consideration of these comments. Please do not hesitate to call me with any questions at (503) 879-2352. Your staff should also feel free to call our Tribal Attorney, Rob Greene, at (503) 879-2270 with any questions.


Oregon Tribes
Umatilla
Burns Paiute
Warm Springs
Klamath
Grand Ronde
Siletz
Coos, Lower Umpqua, and Siuslaw
Coquille
Cow Creek
Portland
Salem
Eugene
Medford

Mercury Public Affairs

Oregon Statewide Survey

Presented By:
Greg Strimple

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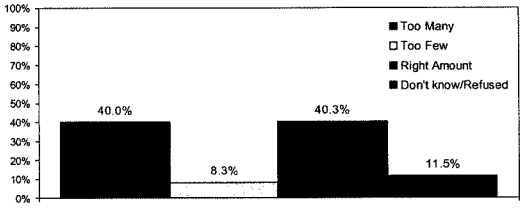
www.mercurypublicaffairs.com

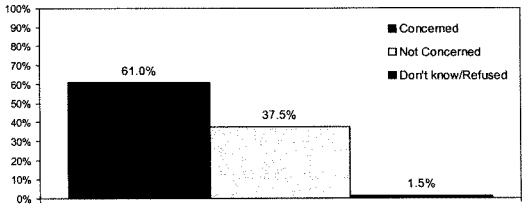
Conducted May 10, 2005
N= 400 Likely Voters
Margin Of Error: +/- 4.9%

The Expansion of Indian Casinos

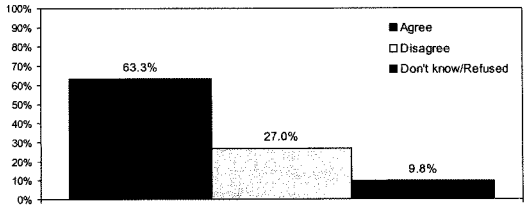
In general, would you say there are too many, too few or just the right amount of gaming and casino opportunities in Oregon?



In general, how concerned are you about the expansion of gaming and casinos in Oregon—very concerned, somewhat concerned, or not at all concerned?

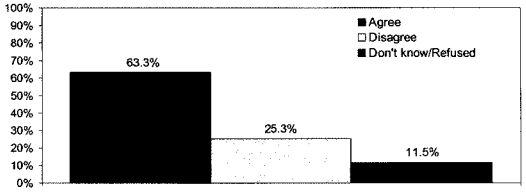


Agree/Disagree: Oregon doesn't need another casino.

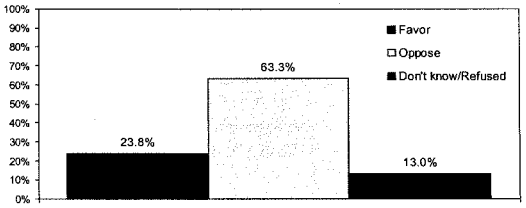


The Expansion of Indian Casinos

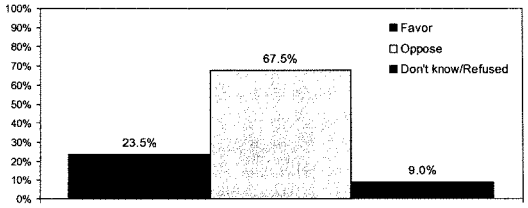
- Agree/Disagree: The Columbia River Gorge National Scenic Area is one of Oregon's greatest natural treasures and should be off limits to any large scale development projects.



- Favor/Oppose: Allowing the Warm Springs Indian Tribe to build the state's first casino off reservation lands in the Columbia River Gorge National Scenic Area community of Cascade Locks?

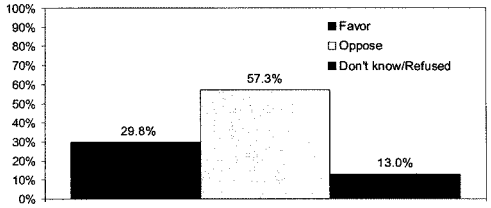


- If there were a measure on the Oregon ballot to allow one Oregon Indian tribe to build a 500,000 square foot casino at Cascade Locks in the Columbia River Gorge National Scenic Area, would you vote in favor of that measure or oppose the measure?

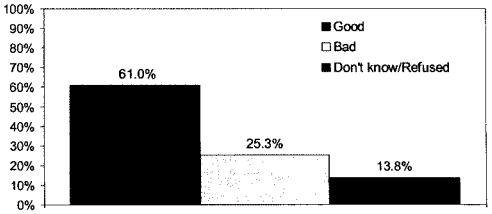


The Expansion of Indian Casinos

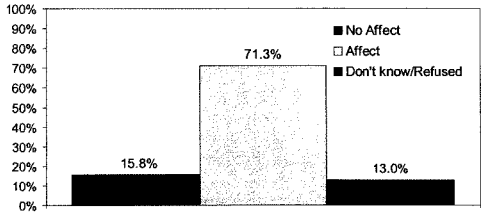
Favor/Oppose: Allowing Oregon's Indian tribes to build casinos off reservation land?



Closest to your opinion: Requiring Indian casinos to be built only on tribal reservation lands is good because it limits the number of casinos that can be built in Oregon and protects metropolitan areas from being overcome by too many casinos; *or,* limiting Indian casinos to tribal reservation lands is bad because it stifles job creation and denies economic opportunities to tribes and depressed areas?

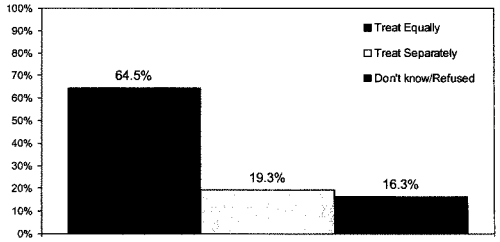


Closest to your opinion: Governor Kulongoski and the Warm Springs Indian Tribe's plan to build a casino off reservation lands is a unique situation and approving the casino will have no affect on Oregon's one tribe, one casino policy; *or,* approving Governor Kulongoski and the Warm Springs Indian Tribe's plan to build a casino off reservation lands will greatly affect Oregon's current Indian casino policy—making it easier for other Indian tribes to get approval for off-reservation casinos?



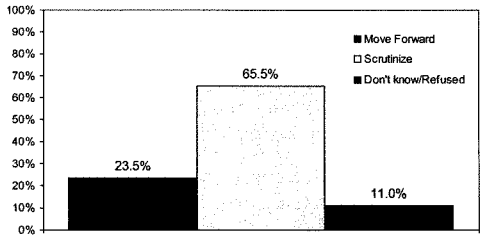
The Issues: Tribe Equality

Closest to your opinion: All Oregon Indian tribes should be treated equally—limiting every tribe to one casino on reservation land only; or all Oregon Indian tribes are not the same and should be treated separately—allowing some tribes to have casinos off reservation lands while requiring other tribes to have casinos only on reservation lands?



The Issues: Process & Inertia

Closest to your opinion: Oregon's Senators and members of Congress should work closely with Governor Kulongoski to make sure the Warm Springs Indian Tribe's plan to build a casino off reservation lands in Cascade Locks is approved; *or,* Oregon's Senators and members of Congress should scrutinize every aspect of Governor Kulongoski's plan allowing the Warm Springs Indian Tribe's to build a casino off reservation lands —even if it results in not building the casino in Cascade Locks?



Michael Lang
Conservation Director
Friends of the Columbia Gorge

Testimony
Before the Committee on Indian Affairs
United States Senate

Oversight Hearing on Indian Gaming
February 28, 2006

On the behalf of Friends of the Columbia Gorge, I would like to express our thanks to Senator McCain for inviting us to provide testimony to the Senate Committee on Indian Affairs. Friends of the Columbia Gorge (Friends) supports reform to the Indian Gaming Regulatory Act (IGRA) by requiring greater community consultation and approval and placing restrictions on what is commonly referred to as "off-reservation gaming." Friends supports removing the loophole in the legislation that would exempt current off-reservation proposals from the amendments. In addition, we support amending the IGRA by prohibiting Indian gaming casinos within our national parks and national scenic areas.

Friends of the Columbia Gorge (Friends) is a non-profit organization with 4,200 members dedicated to protecting and enhancing the scenic, natural, cultural, and recreational resources of the Columbia River Gorge. Our membership includes hundreds of citizens who reside in the six counties within the Columbia River Gorge National Scenic Area. Not only do our members live and work in the Columbia Gorge, they use the National Scenic Area for hiking, photography, plant and wildlife viewing, camping, rock climbing, river travel, windsurfing and other recreational pursuits.

The Columbia River Gorge is truly a national scenic treasure. Stretching 85 miles in length, it is the only sea level passage through the Cascade Mountains. Its dramatic cliffs, plunging waterfalls and diversity of climates and ecosystems have captivated people for thousands of years. The Columbia River Gorge National Scenic Area Act (Scenic Area Act), passed by Congress in 1986, protects and enhances the aesthetic, biological, ecological, economic, historic, and recreational values of the Columbia River Gorge. Indeed, the Gorge has long been considered a special area and efforts to protect the Gorge dates back to the early 1900's. In 1915, the Forest Service established Eagle Creek in the Gorge as the first U.S. Forest Service Recreation Area in the nation. The Gorge received consideration as a national park in 1916 and continuing development pressures lead to the passage of the Scenic Area Act in 1986. The Scenic Area Act received bipartisan support in Congress and was signed into law by President Ronald Reagan.

The Columbia River Gorge National Scenic Area in Oregon, as well as Washington, would be significantly and adversely impacted by the Tribe's proposed casino complex, intended to consist

[/Senate testimony]

of a 600,000-square-foot facility that would include a casino, hotel, spa, restaurants, and several meeting and entertainment venues. The proposed casino and its immense parking areas would be visible from the Pacific Crest National Scenic Trail, the Historic Columbia River Highway, Interstate 84 and the Columbia River. These are all designated as "key viewing areas" within the National Scenic Area. The proposed casino would be visible for miles along the Columbia River Gorge and would adversely affect the scenic beauty of the Columbia River Gorge. The casino would significantly increase the level of noise and light pollution in the Gorge. The Scenic Area and the Columbia River would receive the wastewater discharge caused by this casino resort. A substantial containment system for parking lot run-off would have to be built. Fish and wildlife habitat, including existing bald eagle sites, osprey nests, blue heron rookeries, and salmon habitat would likely be harmed by the casino development.

The casino is projected to attract three million visitors each year, increasing automobile traffic and causing air pollution in an area that is already suffering from this problem. According to "IMPROVE" visibility monitoring sites within the Columbia River Gorge, visibility is impaired 95% of the time within the National Scenic Area due to air pollution. The recently released "Fog Water Deposition Study," carried out by the U.S. Forest Service, reports that acid rain and fog levels within the National Scenic Area are ten to thirty times more acidic than normal rainfall. Introducing millions more cars into the Columbia River Gorge every year would only exacerbate this existing problem. Perhaps most damaging would be the spin-off development and cumulative effects associated with such a large-scale casino. These impacts would disrupt the carefully balanced land use plan that has been achieved under the National Scenic Area Act.

For these reasons, Friends of the Columbia Gorge and its allies are opposed to the Warm Springs Tribe's effort to relocate an established and successful casino from its existing reservation to an off-reservation location within the heart of a National Scenic Area. We have joined with the Oregon Restaurant Association, the Oregon Family Council, the Confederated Tribes of the Grand Ronde and many other citizen groups, both within the Gorge and across the state, to oppose a mega-casino within our national scenic treasure, the Columbia River Gorge.

On introduction of S. 2078, you stated that the bill would eliminate the authority of the Secretary to take off-reservation land into trust under the two-part determination provisions of Section 20. We strongly support these goals. You also stated that the bill would curb the process of reservation shopping while not unfairly penalizing those who lost their lands through no fault of their own. While we support the balance you are attempting to strike, Friends believes that the legislation can do more.

We have long been opposed to the Warm Springs Tribe's efforts to relocate its existing, successful, on-reservation casino from its 640,000-acre reservation to an off-reservation site in the Columbia River Gorge. Although many area tribes have a historical relationship with the Gorge and a desire to establish off-reservation casinos, Warm Springs is the only Tribe to have pressured the State to allow it to exploit the natural values of the Columbia River Gorge to

advance its economic self-interest by siting a casino resort as close as possible to the Portland metropolitan area, the state's largest population center.

The Tribe's efforts to develop in the Gorge began in 1998 with a proposal for a 50,000 square-foot casino. In 2000, the Tribe proposed to locate a casino east of the City of Hood River on a small, unsuitable tract of land located adjacent to the Senator Mark O. Hatfield Trail. The United States Forest Service, responsible for reviewing all federal actions within the Scenic Area for consistency with the Scenic Area Act, determined that the Tribe's request to place newly acquired fee lands into trust for the purpose of providing access to the Hood River site would violate the Scenic Area Act. Governor John Kitzhaber rejected the proposal in 2002. The Hood River proposal was unlawful and was viewed by many as an empty threat designed to leverage approval at another Gorge location such as Cascade Locks. Former Governor Kitzhaber also rejected the Cascade Locks proposal in 2002.

Former Governor Kitzhaber opposed both the Cascade Locks and Hood River sites on a number of grounds, including the State's longstanding policy of limiting Indian gaming to one casino per Tribe located on an established reservation. This policy has worked well for the State and the Tribes, preventing the undesirable and environmentally harmful practice of "casino-shopping," while at the same time allowing the Tribes to advance their economic goals through on-reservation development in a manner fair to all Tribes. With nine in-state Tribes, eight of which have existing on-reservation casinos, the implementation of Oregon's longstanding policy has been a model of fairness and certainty, promoting economic growth balanced with sound environmental and land use management principles.

However, since the election of our current Governor in 2002, we feel that the political, legislative and statutory processes have failed to protect the people of Oregon and the Columbia River Gorge. We, including our diverse group of allies, have been shut out of the political process by a Governor, who as a candidate promised to oppose the Warm Springs Gorge Casino proposal, but as Oregon's Governor, turned his back on his supporters and negotiated a compact with the Tribe with no process for input from the public. Never were the residents of the Gorge, citizens of Oregon or members of other tribes in Oregon consulted about a proposal that would throw out Oregon's current policy barring off-reservation casinos, place the state's largest casino resort in the middle of a National Scenic Area and set a precedent for a dramatic increase in gambling in the state. Under the proposal the casino itself would be a serviced by a 250-room hotel, spa, convention facility, retail shops, interpretive center, restaurants, a daycare facility for the children of parents gambling at the casino and parking for 3,700 vehicles. That is enough parking to accommodate more than three times the actual population of Cascade Locks.

Proposing to place a mega-casino and resort in the middle of a National Scenic Area is no different that proposing to place a casino in Yosemite, the Grand Canyon or Yellowstone National Park. There is truly a national interest at stake, yet the IGRA fails to consider the regional and national implications of allowing a casino resort within the National Scenic Area.

The Tribe submitted the Compact to the Secretary of Interior in April, 2005. On May 5, 2005, Kevin Gorman, Executive Director, Friends of the Columbia Gorge, Mike McCallum, President/CEO, Oregon Restaurant Association and Tim Nashif, Political Director, Oregon Family Council wrote to Secretary Norton asking her to reject policy changes that would allow off-reservation casinos in Oregon. (Attachment 1) On May 20, 2005, the Secretary disallowed the Compact.

Quoting from the May 20, 2005, letter from Jim Cason, then Associate Assistant Secretary of Interior (Attachment 2):

> "In addition, compliance with the requirements of Section 20(b)(1)(A) of IGRA will have to be addressed before the land is eligible for gaming. This provision of IGRA requires a Secretarial determination, following consultation with appropriate State and local officials, including officials of nearby tribes, that a gaming establishment on newly-acquired trust lands is in the best interest of the Tribes and their members, and not detrimental to the surrounding community. **After the determination is made,** the Governor of the State must decide whether he will concur in the Secretary's determination. Therefore, approval of the Compact before the Cascade Locks Land is taken into trust would violate Section 2710(d)(8)(A) of IGRA, and thus, the Compact must be disapproved."

"When Congress revisits a statute giving rise to a longstanding administrative interpretation without pertinent change, the 'congressional failure to revise or repeal the agency's interpretation is persuasive evidence that the interpretation is the one intended by Congress.'" Doris Day Animal League v. Veneman (D.C. Cir. Jan. 14, 2003)

In the event S.2078 becomes law, it remains to be seen if the interpretation of the Department of Interior will be construed by a court in review as "longstanding administrative interpretation." At the very least, if it is not the Committee's intent to disturb the Secretary's invalidation of the Compact and require the Governor comply with the statute, we hope that you will work with us to include language in the Committee report that makes this clear.

Your legislation eliminates the two-part determination test for the rest of the nation, but exempt out from that scheme Tribal petitions to take land into trust for purposes of gaming that the Secretary was in the process of reviewing before November 18, 2005. Your legislation is designed to protect the people of the United States from the ills of reservation shopping and trust land roulette. The purpose is to restore some balance to communities while still allowing full sovereignty on reservations. Why don't we deserve the same protection?

Senator, the desires of the residents of the Gorge and indeed the desires of the people of the State of Oregon have been ignored. Indeed we have been effectively shut out of the process. The local Bureau of Indian Affairs officials, who are responsible for preparing an Environmental Impact Statement (EIS) as required by the National Environmental Policy Act (NEPA), continue to allow the process to be driven by the applicant Tribe and its consultants. The result

is a process slanted toward their desired outcome of an off-reservation casino in the Columbia Gorge.

The purpose, need and range of alternatives are cornerstones of NEPA review. The BIA has sought to frame the purpose and needs statement in such a way that it would lead to approval of an off-reservation in the Gorge. The BIA is seeking to limit the range of alternatives that will be examined in the EIS to only two sites, both within the Columbia River Gorge. The BIA is refusing to consider on-reservation sites for a new casino and refused to hold a public hearing on or near the reservation, thereby restricting the ability of tribal members to participate in the NEPA scoping process.

Procedural errors have been common, particularly with regard to filing notice in the Federal Register prior to initiation of the public comment periods. The public scoping hearings were run by the Tribes consultants without legitimate opportunities for public comment. Often, questions asked by the public and directed to the BIA were answered by legal counsel for the Tribe.

The Section 20, two-part determination in IGRA fails to adequately consider the impacts to affected communities because it only considered impacts to communities within a ten-mile radius of the proposed casino site. This is a standard that might work in the eastern United States where communities are much closer together, but is inadequate in the western United States where communities are more widely dispersed. The very reason why the Warm Springs Tribe is seeking the establishment of an off-reservation casino in Cascade Locks is to exploit the gaming market in the Portland metro area. Cascade Locks is at the very edge of the Tribe's aboriginal range and is as close as the Tribe can get to the metro area. Yet, under the ten-mile radius rule, the concerns of Portland, Gresham, Vancouver, Troutdale and many other surrounding communities won't matter to the BIA even though these communities and their citizens will be adversely impacted by added traffic, congestion, and the social impacts that are associated with increased gambling.

If the people of Portland and its surrounding communities are the target of this off-reservation casino, and let there be no mistake that they are, then their concerns must be heard within the two-part determination. On a broader scale, there is a national interest at stake when a large casino resort is proposed within the heart of a National Scenic Area, yet there is no clear provision for evaluating the national interest at stake within the two-part determination in the IGRA.

Oregonians are opposed to off-reservation casinos in general and to an off-reservation casino in the Columbia Gorge, in particular. In recent poll of registered voters in Oregon 63% of respondents were opposed to an off-reservation casino in the Columbia Gorge and 68% would vote against it if it were put before Oregon voters in the form of a referendum. (May 10, 2005, by Greg Strimple, Mercury Public Affairs, N=400, +/-4.9%) (Attachment 2)

It is no surprise that Oregon residents are opposed to an off-reservation casino within one of the crown jewels of our state. The Columbia River Gorge National Scenic Area is precisely the kind of location that should be protected from development of this nature.

Our lives, our land and a jewel in America's crown are being sold and paid for with reservation shopping and trust land roulette. For this reason, we wish to be included in protections afforded by your legislation.

There is no legal basis for the Warm Springs proposal to have access to a loophole through which they might be excluded from the Section 20 amendments in S. 2078. The Tribe has embarked on a highly speculative venture that has only been successfully used three times since the passage of the IGRA. Out of 411 tribal casinos in the country, only three were approved through use of the two-part determination. It would be especially unfair to reward the Warm Springs Tribe, a successful tribe with the largest reservation in Oregon, when all other tribes in Oregon have adhered to the existing policy in Oregon that limits casinos to on-reservation sites.

The Warm Springs Tribe has long been recognized as an extraordinarily successful tribe in a number of sources, including Charles Wilkinson's book "*Blood Struggle*,"-, which features Warm Springs as a prime example of a self-sufficient tribe. Please consider that the Warm Springs Tribe has a vast reservation with U.S. Highway 26 running through it and an intersection with U.S. Highway 97 only 10 miles from the eastern boundary of the reservation. This area is the fastest growing region in the State of Oregon. However, the Tribe's existing casino is located miles away from U.S. Highway 26 in an isolated part of the Warm Springs' reservation.

If the Warm Springs Tribe were to locate a new **on-reservation** casino along U.S. Highway 26, that casino would generate much more revenue for this already successful Tribe, provide many more jobs for tribal members closer to their homes, maintain Oregon's policy barring off-reservation casinos and would protect the Columbia River Gorge, one of America's natural scenic treasures, from the ill-effects of a Las Vegas-sized casino.

In addition, we respectfully propose that the committee consider the prohibition of casinos within our national parks, wilderness areas, national scenic areas and national recreation areas due to the inherent conflicts between large-scale casino gaming and the preservation of natural, scenic and natural resource-based recreational values. The Congress of the United States has made a determination that these are special places.

The Columbia Gorge National Scenic Area was established by Congress to protect and provide for the enhancement of the scenic, cultural, recreational and natural resources of the Columbia River Gorge. That legislation, out of respect for the native peoples, required the protection of archaeological and culturally significant sites. It also required that development take place in a way that would not adversely affect the scenic, cultural, recreational or natural resources inherent in the Columbia Gorge. Shouldn't the protections of your bill be extended to the residents of the Gorge and the Portland/Vancouver area who at the real target of this proposal? Shouldn't our national scenic treasure be protected from being turned into a Mecca for casino gambling?

We are waging a titanic battle to save the very resource this Congress acted so wisely to protect. Please do not ignore our pleas for help.

Thank you very much for you interest and attention to this issue.

Attachment 1

[Letterhead – Coalition for Oregon's Future]
Mike McCallum, Oregon Restaurant Association
Kevin Gorman, Friends of the Columbia Gorge
Tim Nashif, Oregon Family Council

May 9, 2005

The Honorable Gale Norton
Secretary of the Interior
1849 C Street, NW
Washington, D.C. 20240
Via Fax 202-208-6956

Dear Secretary Norton:

We are writing to express our opposition to the proposed off-reservation casino at Cascade Locks in the Columbia River Gorge National Scenic Area, 30 miles east of the City of Portland. We urge you not to approve the proposed compact and additional administrative approvals required to site, build and operate an off-reservation casino in Oregon.

Collectively, our three organizations represent over 42,000 Oregonians. We have never before come together on an issue, but now are working together for a common cause: protecting the natural environment, protecting small businesses, and protecting our state and families from a radical change in state and federal gaming policies to allow off-reservation casinos.

If approved, this policy change would not only open the door to an explosion of casinos in Oregon, it would severely harm hundreds of small businesses because of increased labor and pricing competition. It would also result in lost revenue to state programs, such as public schools, which last year received over $400 million from Oregon's state-run lottery programs. Further, it would harm the scenic beauty and natural heritage of the Columbia River Gorge by endangering nearby bald eagle habitat and increasing air pollution and traffic congestion from the three million people per year expected to visit the casino. Off-reservation casinos in Oregon are not in the long-term best interest of our children, our families, the State of Oregon and the Native American Tribes that currently enjoy public support for their existing on-reservation gaming operations.

Comment: The prior sentence is a little awkward

Rest assured, we respect the rights of all Native American tribes to build and operate casinos on their reservation lands. But we do not believe the state and federal government should adopt new policies that treat different tribes differently. Such policies will lead to casinos far beyond what was envisioned when tribes were granted authority to build on-reservation casinos as a means to improve the lives of their members.

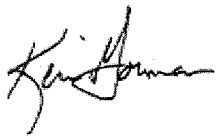
Oregon is a magnificent state, but a change in federal gaming policies to allow off-reservation casinos threatens our scenic treasures , and would lead to further moral and social decay with casinos located in and near our major cities, hurt hundreds of small businesses because of competitive advantage and reduce funding for state programs that currently depend on a healthy state-run lottery.

It takes an enormous threat to bring conservationists, restaurant and beverage operation owners, and pro-family organizations together. But a radical change in federal policy to allow off-reservation casinos just minutes from Portland and Multnomah County neighborhoods is such a threat. It's a threat to our beloved Columbia River Gorge, our fragile small business economy, our public schools budget and our families, who already face numerous societal challenges in raising their children.

We urge you to help us maintain the current policies that permit each tribe a single casino on its reservation lands as a source of income and independence for members. We urge you to reject policy changes that allow off-reservation casinos in Oregon. Individually, our organizations intend to bring additional, more specific concerns to your attention on this matter, but we believe our collective voice should also be considered as you evaluate what is in the best interest of our state and nation.

Thank you for your consideration.

Sincerely,



Kevin Gorman, Executive Director
Friends of the Columbia Gorge

Michael McCallum
President/CEO, Oregon Restaurant Association

Tim Nashif, Political Director,
Oregon Family Council

CC:

Oregon Congressional Delegation
Jim Cason, Acting Assistant Secretary of Indian Affairs
George Skibine, Director of Indian Gaming Management

United States Department of the Interior
OFFICE OF THE SECRETARY
Washington, DC 20240

TAKE PRIDE IN AMERICA

MAY 2 0 2005

Honorable Theodore R. Kulongoski
Governor, State of Oregon
State Capital,
Salem, Oregon 97301-4047

Dear Governor Kulongoski:

On April 8, 2005, we received the Tribal-State Compact for the regulation of Class III Gaming between the Confederated Tribes of the Warm Springs Reservation of Oregon (Tribes) and the State of Oregon (State), executed on April 6, 2005 (Compact). Under the Indian Gaming Regulatory Act (IGRA) 25 U.S.C. § 2710(d)(8)(C), the Secretary of the Interior (Secretary) may approve or disapprove the Compact within forty-five days of its submission. Under IGRA, the Secretary can disapprove the Compact if she determines that the Compact violates IGRA, any other provision of Federal law that does not relate to jurisdiction over gaming on Indian lands, or the trust obligation of the United States to Indians.

Decision

We have completed our review of the Compact along with the submission of additional documentation submitted by the parties and some third parties. For the following reason, the Compact is hereby disapproved.

Discussion

Article V(C) of the Compact authorizes a gaming facility on the Cascade Locks Land, "provided that the federal government takes the Cascade Locks Land into trust for the Tribes for gaming purposes pursuant to Section 20(b)(1)(A) of IGRA, 25 U.S.C. § 2719(b)(1)(A)." Section 2710(d)(8)(A) of IGRA authorizes the Secretary "to approve any Tribal-State compact entered into between an Indian tribe and a State governing gaming *on Indian lands of such Indian tribe*." This section does not authorize the Secretary to approve a compact for the conduct of Class III gaming activities on lands that are not now, and may never be, Indian lands of such Indian tribe.

In addition, IGRA requires that gaming may only occur on lands subject to the tribe's jurisdiction and over which the tribe exercises governmental power. Currently, the Cascade Locks Land is not currently held in trust for the benefit of the Tribes and will have to undergo a rigorous process under 25 C.F.R. Part 151 before a decision can be made regarding whether to take the land into trust. In addition, compliance with the requirements of Section 20(b)(1)(A) of IGRA will have to be addressed before the land is eligible for gaming. This provision of IGRA requires a Secretarial determination, following consultation with appropriate State and local officials, including officials of nearby tribes, that a gaming establishment on the newly-acquired

trust lands is in the best interest of the Tribes and their members, and not detrimental to the surrounding community. After this determination is made, the Governor of the State must decide whether he will concur in the Secretary's determination. Therefore, approval of the Compact before the Cascade Locks Land is taken into trust would violate Section 2710(d)(8)(A) of IGRA, and thus, the Compact must be disapproved.

We are aware that the Department has previously approved compacts for the regulation of class III gaming activities before the specified lands qualified as Indian lands under IGRA. However, on closer examination of the statute, we have concluded that the Secretary's authority to act on proposed compacts under 25 U.S.C. § 2710(d)(8)(A) is informed by Section 20 of IGRA. Thus, the proposed gaming lands are subject to a two-part determination and State Governor concurrence under section 20. These two conditions must be complete before Departmental action on a compact can occur.

This decision does not address the other terms and conditions embodied by the proposed compact. The Department is supportive of the efforts of the Tribes and the Governor to discuss Indian gaming. The Department is encouraged by the prospects that there is a foundation for mutual agreement on these issues at some point in the future.

Only after the Tribes have acquired the Cascade Locks Land into trust, will the Department consider the terms and conditions of a timely submitted compact pursuant to the applicable provisions of IGRA. Until then, we trust that the Warm Springs Tribes will continue to engage in Class III gaming activities on its reservation.

We regret that our decision could not be more favorable at this time. A similar letter is being sent to the Honorable Ron Suppah, Chairman, Confederated Tribes of the Warm Springs Reservation of Oregon.

Sincerely,

James E. Cason

James E. Cason
Associate Deputy Secretary

Page 14

Attachment 3

Mercury Public Affairs

Oregon Statewide Survey

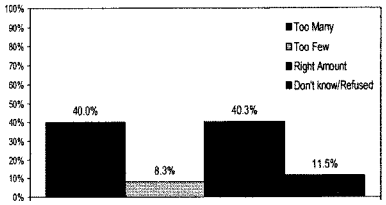
Presented By:
Greg Strimple

Mercury Public Affairs
137 Fifth Avenue, 3rd Floor
New York, NY 10010
212 681-1380
www.mercurypublicaffairs.com

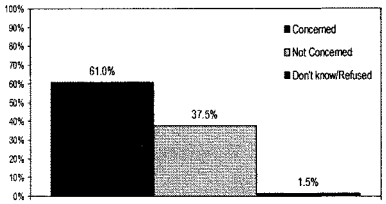
Conducted May 10, 2005
N= 400 Likely Voters
Margin Of Error: +/- 4.9%

The Expansion of Indian Casinos

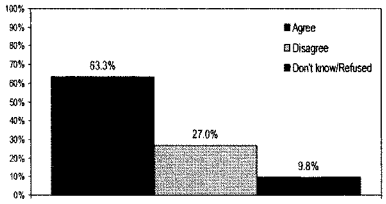
In general, would you say there are too many, too few or just the right amount of gaming and casino opportunities in Oregon?



In general, how concerned are you about the expansion of gaming and casinos in Oregon—very concerned, somewhat concerned, or not at all concerned?



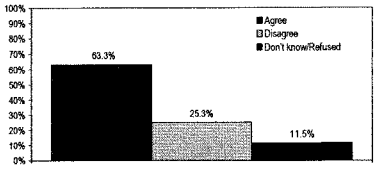
Agree/Disagree: Oregon doesn't need another casino.



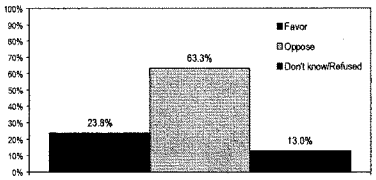
Mercury Public Affairs 2

The Expansion of Indian Casinos

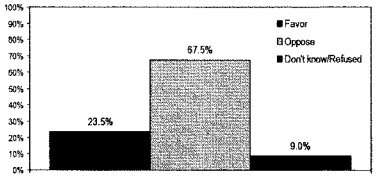
Agree/Disagree: The Columbia River Gorge National Scenic Area is one of Oregon's greatest natural treasures and should be off limits to any large scale development projects.



Favor/Oppose: Allowing the Warm Springs Indian Tribe to build the state's first casino off reservation lands in the Columbia River Gorge National Scenic Area community of Cascade Locks?



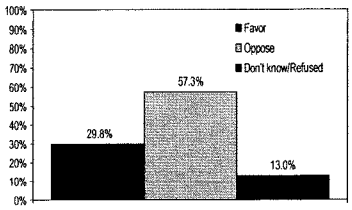
If there were a measure on the Oregon ballot to allow one Oregon Indian tribe to build a 500,000 square foot casino at Cascade Locks in the Columbia River Gorge National Scenic Area, would you vote in favor of that measure or oppose the measure?



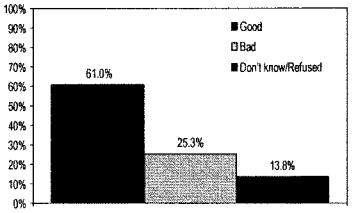
Mercury Public Affairs 3

The Expansion of Indian Casinos

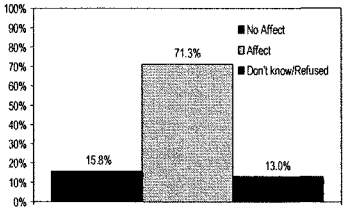
Favor/Oppose: Allowing Oregon's Indian tribes to build casinos off reservation land?



Closest to your opinion: Requiring Indian casinos to be built only on tribal reservation lands is good because it limits the number of casinos that can be built in Oregon and protects metropolitan areas from being overcome by too many casinos; *or,* limiting Indian casinos to tribal reservation lands is bad because it stifles job creation and denies economic opportunities to tribes and depressed areas?



Closest to your opinion: Governor Kulongoski and the Warm Springs Indian Tribe's plan to build a casino off reservation lands is a unique situation and approving the casino will have no affect on Oregon's one tribe, one casino policy; *or,* approving Governor Kulongoski and the Warm Springs Indian Tribe's plan to build a casino off reservation lands will greatly affect Oregon's current Indian casino policy—making it easier for other Indian tribes to get approval for off-reservation casinos?

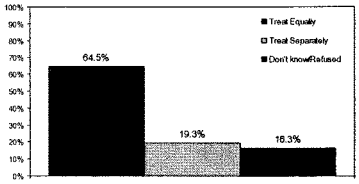


Mercury Public Affairs 4

Page 18

The Issues: Tribe Equality

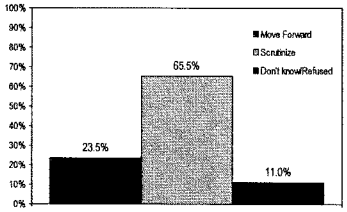
Closest to your opinion: All Oregon Indian tribes should be treated equally—limiting every tribe to one casino on reservation land only; or all Oregon Indian tribes are not the same and should be treated separately-- allowing some tribes to have casinos off reservation lands while requiring other tribes to have casinos only on reservation lands?



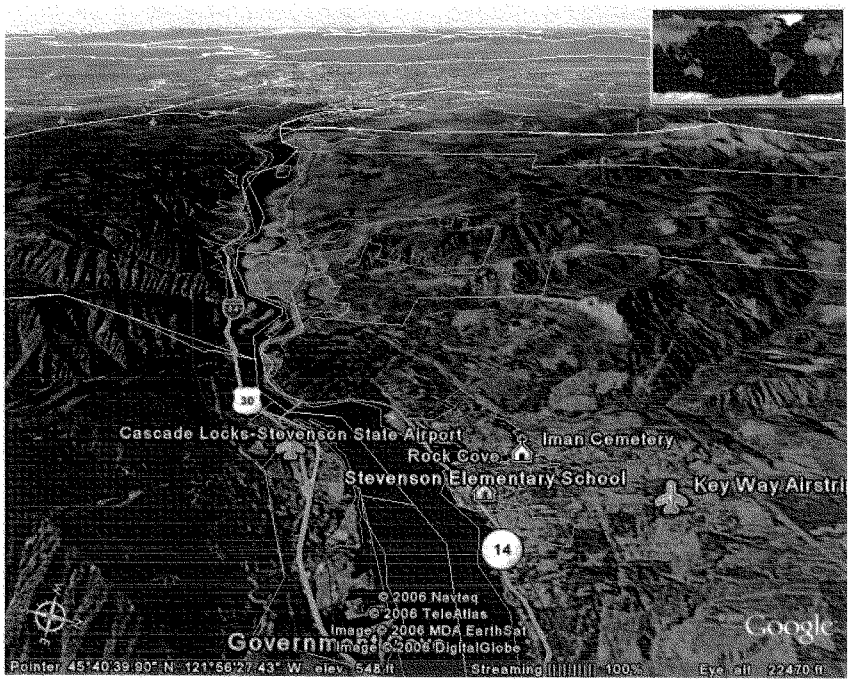
Mercury Public Affairs 3

The Issues: Process & Inertia

Closest to your opinion: Oregon's Senators and members of Congress should work closely with Governor Kulongoski to make sure the Warm Springs Indian Tribe's plan to build a casino off reservation lands in Cascade Locks is approved; *or,* Oregon's Senators and members of Congress should scrutinize every aspect of Governor Kulongoski's plan allowing the Warm Springs Indian Tribe's to build a casino off reservation lands —even if it results in not building the casino in Cascade Locks?



Mercury Public Affairs 6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Cascade Locks-Stevenson State Airport
Iman Cemetery
Rock Cove
Stevenson Elementary School
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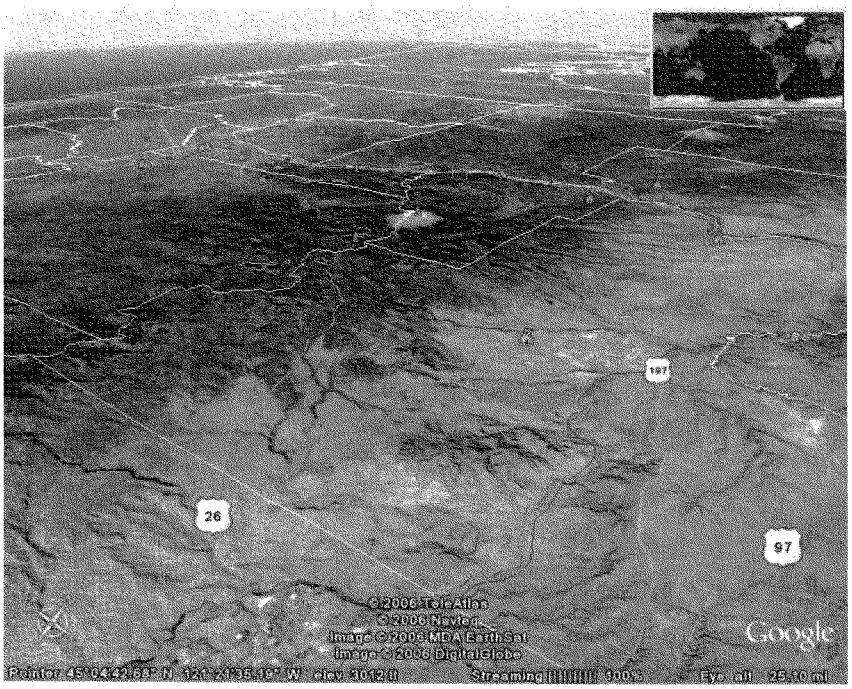
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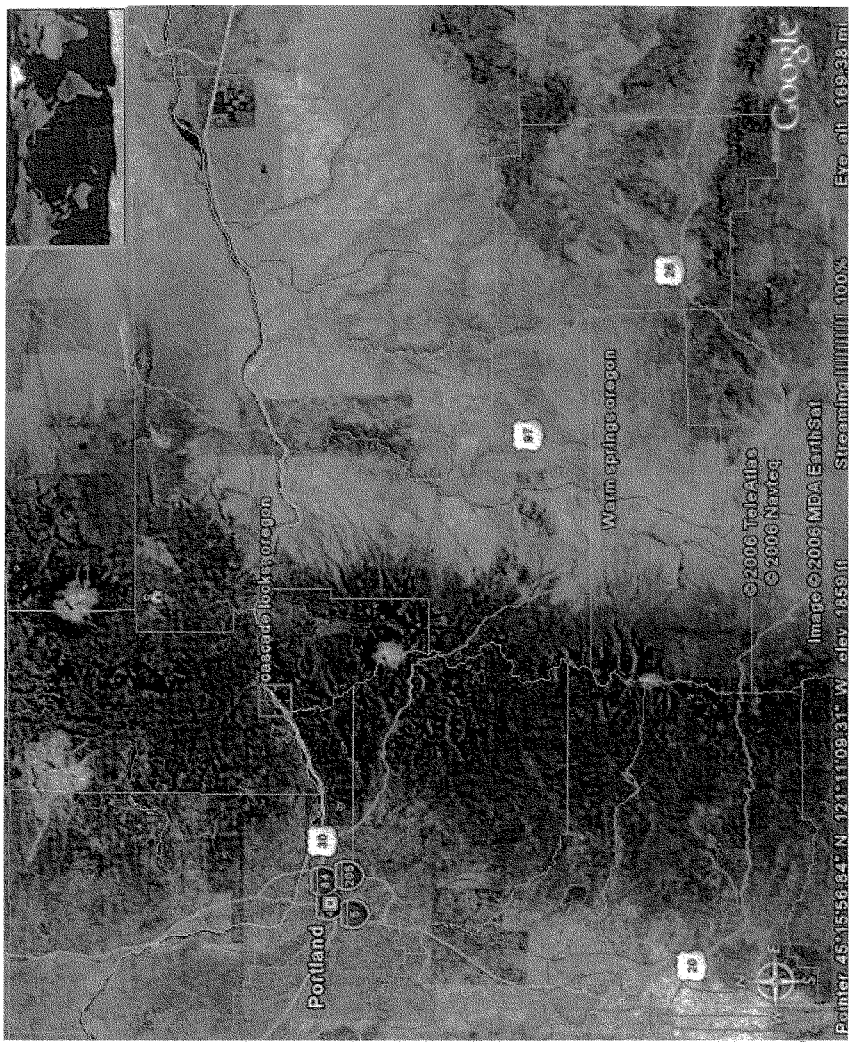
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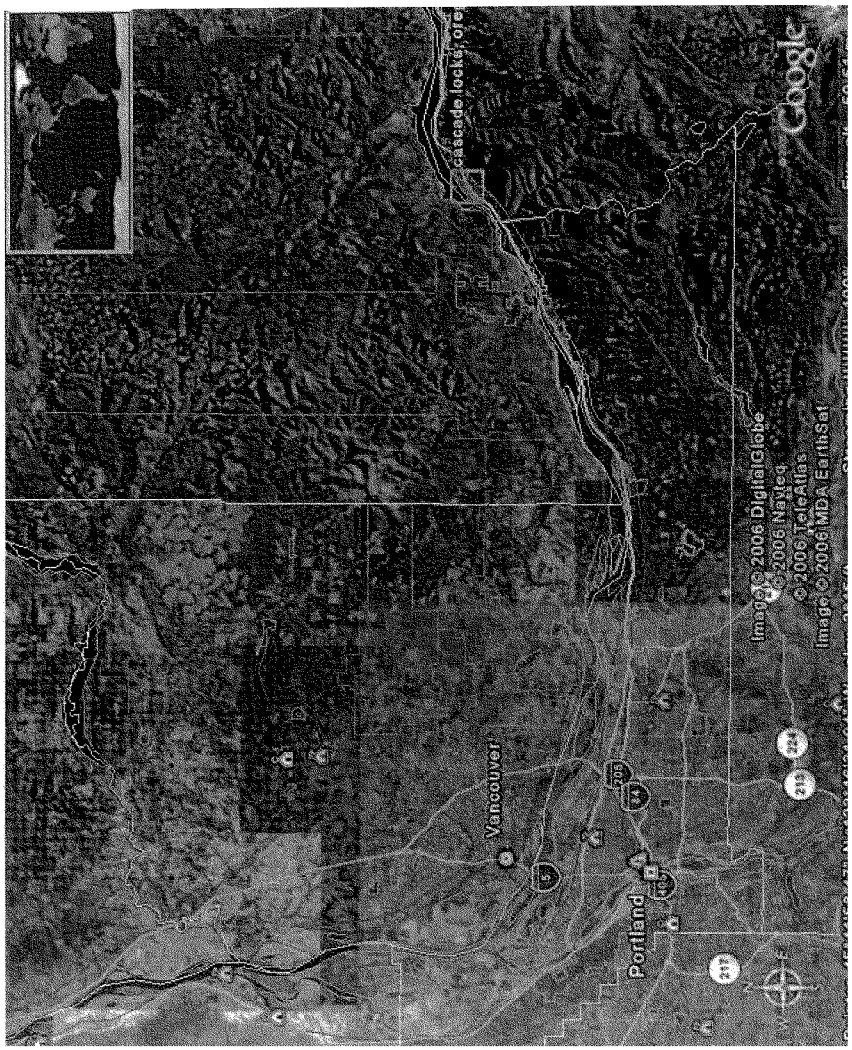
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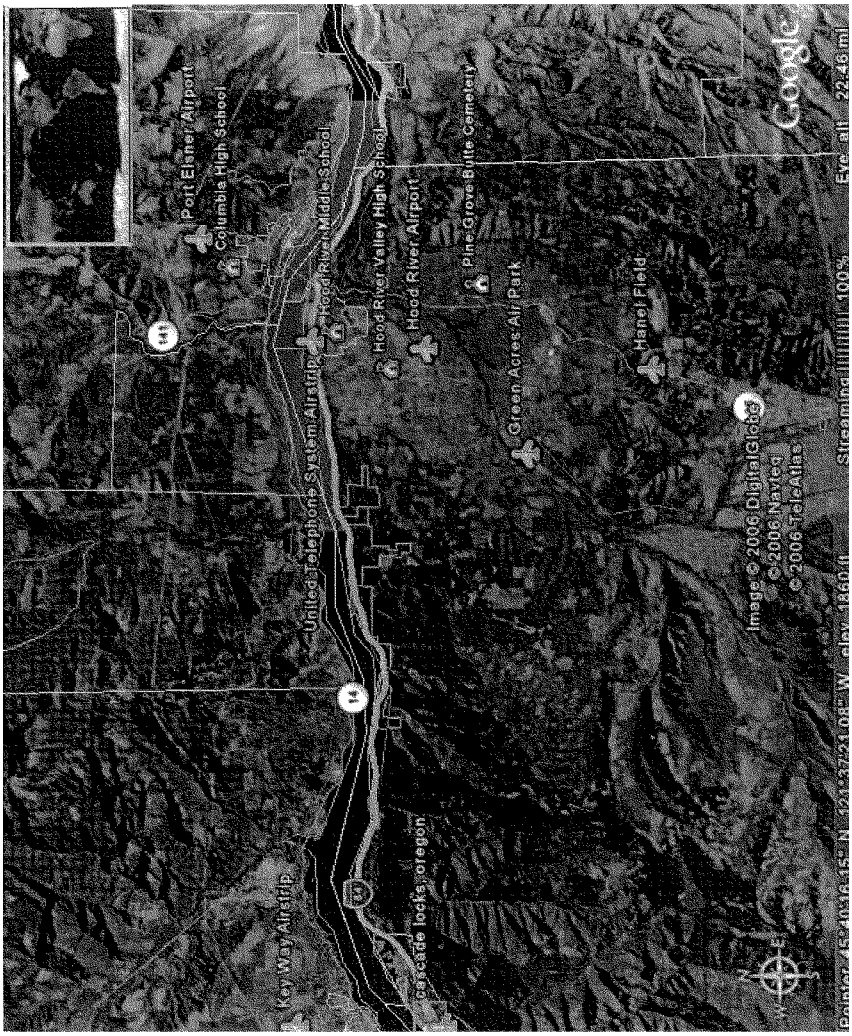
Key Way Airstrip
Cascade Locks, Oregon
Port Ekner Airport
Columbia High School
United Telephone System Airstrip
Hood River Middle School
Hood River Valley High School
Hood River Airport
Pine Grove Butte Cemetery
Green Acres Air Park
Hanel Field
Image © 2006 DigitalGlobe
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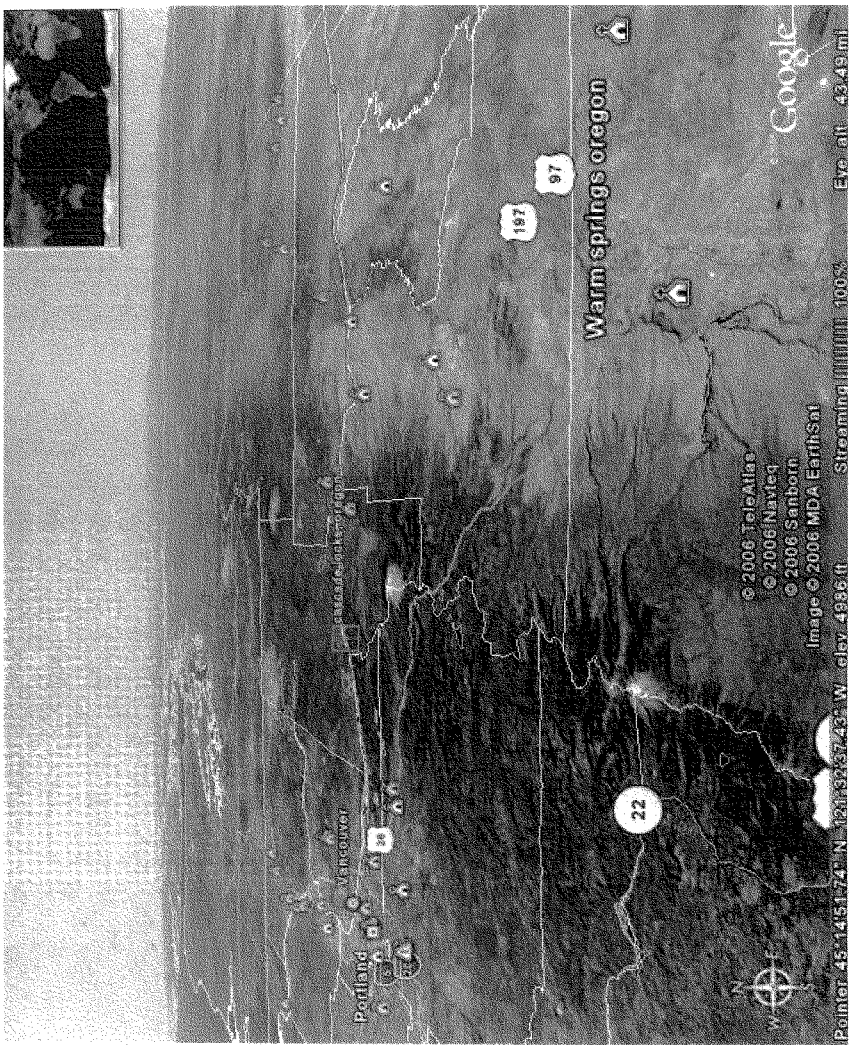
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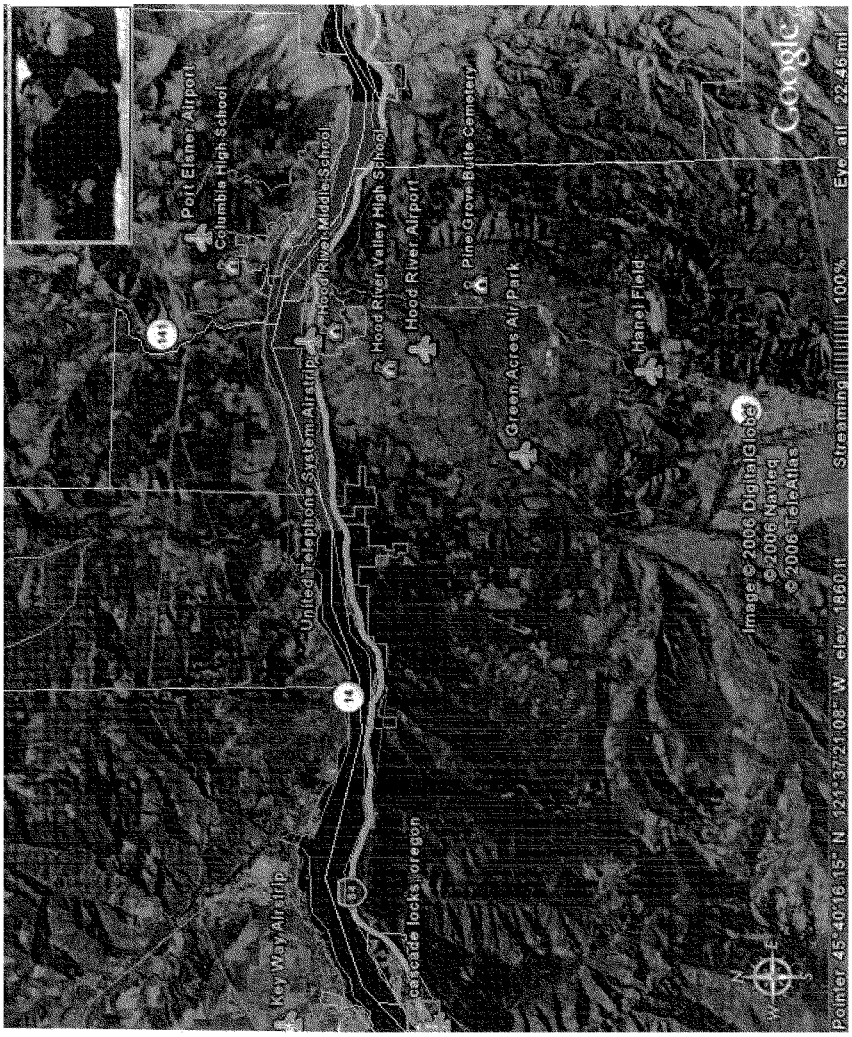
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United Telephone System Airstrip
Port Ekner Airport
Columbia High School
Hood River Middle School
Hood River Valley High School
Hood River Airport
Pine Grove Butte Cemetery
Green Acres Air Park
Hanel Field
Image © 2006 DigitalGlobe
© 2006 Navteq
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Pointer 45°40'16.15" N 121°37'21.08" W elev 1860 ft
Streaming 100%
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STATEMENT
OF
GEORGE T. SKIBINE
ACTING DEPUTY ASSISTANT SECRETARY – INDIAN AFFAIRS
FOR POLICY AND ECONOMIC DEVELOPMENT
DEPARTMENT OF THE INTERIOR
AT THE OVERSIGHT HEARING
BEFORE THE COMMITTEE ON INDIAN AFFAIRS
U.S. SENATE
ON
THE PROCESS FOR CONSIDERING GAMING APPLICATIONS

February 28, 2006

Good morning, Mr. Chairman and Members of the Committee. My name is George Skibine, and I am the Acting Deputy Assistant Secretary – Indian Affairs for Policy and Economic Development at the Department of the Interior. I am pleased to be here today to discuss the role of the Department in the process for considering applications for gaming, particularly the two part determination which I will discuss in more detail later in my statement.

When an Indian tribe decides that it wants to engage in gaming activities under the Indian Gaming Regulatory Act of 1988 (IGRA) on a parcel of land, assuming that the parcel is not already into trust, it will have to submit an application to the appropriate regional office of the Bureau of Indian Affairs (BIA) to have the land taken into trust. The basis for the administrative decision to place land into trust for the benefit of an Indian tribe is established either by a specific statute applying to a tribe, or by Section 5 of the Indian Reorganization Act of 1934 (IRA), which authorizes the Secretary to acquire land in trust for Indians "within or without existing reservations." Under these authorities, the Secretary applies the applicable criteria for trust acquisitions in our "151" regulations (25 CFR Part 151). The 151 regulations were promulgated under the authority of the IRA. The regulations outline the process the Department uses when making a determination of whether to take land into trust. When a land into trust acquisition is intended for gaming, consideration of the requirements of Section 20 of IGRA are applied during the 151 process. Section 20 of IGRA does not provide authority to take land into trust for Indian tribes. Rather, it is a separate and independent requirement to be considered before gaming activities can be conducted on land taken into trust after October 17, 1988, the date IGRA was enacted into law.

For a discretionary land into trust acquisition the BIA regional office will process the tribe's application by complying with the various requirements of the "151" regulations, which includes consultation with State and local officials having regulatory jurisdiction over the land to be acquired, and compliance with the requirements of the National Environmental Policy Act (NEPA). The public has an opportunity to comment during the NEPA process, which includes a

review of socioeconomic impacts such as housing, jobs, and the rate of population growth in the area. The regional office will also request from the BIA central office in Washington, DC a determination whether the parcel will qualify for one or more of the statutory exceptions to the prohibition on gaming on "after-acquired" lands contained in Section 20(a) of IGRA.

Section 20(a) provides that if lands are acquired in trust after October 17, 1988, the lands may not be used for gaming, unless one of the following statutory exceptions applies:

(1) the lands are located within or contiguous to the boundaries of the tribe's reservation as it existed on October 17, 1988;

(2) the tribe has no reservation on October 17, 1988, and "the lands are located...within the Indian tribe's last recognized reservation within the state or states where the tribe is presently located;"

(3) the "lands are taken into trust as part of: (i) the settlement of a land claim; (ii) the initial reservation of and Indian tribe acknowledged by the Secretary under the Federal acknowledgment process; or (iii) the restoration of lands for an Indian tribe that is restored to Federal recognition."

There is also a specific exception for lands taken into trust in Oklahoma for Oklahoma tribes. Tribes in Oklahoma may game on lands that are within the boundaries of the Indian tribe's former reservation, as defined by the Secretary, or are contiguous to other land held in trust or restricted fee status for the tribe in Oklahoma.

Since 1988, the Secretary has approved 34 applications that have qualified under these various exceptions to the gaming prohibition contained in Section 20(a) of IGRA.

An Indian tribe may also conduct gaming activities on after-acquired trust land (land taken into trust after 1988 that does not meet one of the above exceptions) if it meets the requirements of Section 20(b)(1)(A) of IGRA, the "two-part determination" exception. Under Section 20(b)(1)(A), gaming can occur on the land if the Secretary, after consultation with appropriate state and local officials, and officials of nearby tribes, determines that a gaming establishment on newly-acquired land will be in the best interest of the tribe and its members, and not detrimental to the surrounding community.

The role of the Secretary under Section 20(b)(1)(A) is limited to making objective findings of fact regarding the best interests of the tribe and its members, and any detriment to the surrounding community. Therefore, while the trust acquisition regulations provide broad discretion, Section 20(b)(1)(A) does not authorize the Secretary to consider other criteria in making her two-part determination, thus limiting her decision-making discretion to that degree.

The Department's process for making two-part determinations is contained in the "Checklist for

Gaming Acquisitions and IGRA Section 20 Determinations" first published in 1994, and last revised in March of 2005. The Department is in the process of formulating regulations that implement Section 20 of IGRA. The Department intends to begin tribal consultation on this regulatory proposal before a proposed rule is published in the Federal Register.

The checklist recommends that regional directors of the BIA consult with governing bodies of tribes located within 50 miles of the proposed gaming establishment, and with state and local officials located within ten miles of the proposed gaming establishment. The consultation letter will ask the governmental officials to address potential detriments to the surrounding community, including, but not limited to, the following:

- environmental impacts, impacts on the social structure, infrastructure, services, housing, community character, and land use patterns;
- potential impacts on economic development, income, and employment; Costs of impacts and sources of revenue to mitigate these impacts;
- proposed programs to address compulsive gambling; and
- any other information deemed relevant to a finding regarding detriment to the surrounding community.

The Department will also consider the findings made in an environmental assessment or an environmental impact statement developed pursuant to the NEPA to determine whether the proposed gaming establishment will be detrimental to the surrounding community.

Section 20(b)(1)(A) of IGRA also requires consultation with the Indian tribe submitting the application for a two-part determination. The consultation letter to the applicant tribe will seek the views of the tribe in determining whether the proposed gaming establishment is in the best interest of the tribe and its members. The tribe will be asked to assess the following issues:

- Projections of income statements, balance sheets, and cash flow;
- projected tribal employment, job training, and career development; projected benefits from tourism;
- projected benefits from the proposed uses of the increased tribal income;
- projected benefits to the relationship between the tribe and the local community;
- possible adverse impacts and plans for dealing with those impacts; and
- any other information which may provide a basis for a Secretarial determination that the

proposed gaming establishment is in the best interest of the tribe and its members.

The decision of whether the parcel will be subject to the two-part determination in Section 20(b)(1)(A) is made in Washington DC at the BIA central office. The BIA regional office will submit its recommendation on the tribe's land-into-trust application for gaming and gaming related purposes to the central office where it will be evaluated by the Office of Indian Gaming. That office will provide a final recommendation to the Assistant Secretary for Indian Affairs whom the Secretary has delegated the final decision-making authority for land acquisitions. If the proposed parcel is subject to the two-part determination in Section 20(b)(1)(A) of IGRA, the regional director's recommendation will also include proposed Findings of Fact relative to that determination. The Secretarial two-part determination will be made before the decision is made on whether to take the land into trust.

If the Secretary agrees with a proposed positive two-part determination, she will ask the governor of the state where the proposed gaming establishment is to be located to concur in her determination. If the governor does not affirmatively concur in the determination, gaming cannot take place on the land. Since 1988, state governors have concurred in only three positive two-part determinations for off-reservation gaming on trust lands: the Forest County Potawatomi gaming establishment in Milwaukee, Wisconsin; the Kalispel Tribe gaming establishment in Airway Heights, Washington; and the Keweenaw Bay Indian Community gaming establishment near Marquette, Michigan.

This concludes my remarks. I will be happy to answer any questions the Committee may have. Thank you.

PENDING
SECTION 20 (b)(1)(A) OFF RESERVATION LAND APPLICATIONS for GAMING
February 2006

	Tribe	Location	Section 20 Exception
1.	St. Regis Band of Mohawk Indians of New York 350 Miles from Reservation	66 Acres -Town of Thompson, Sullivan County, NY	Off-Reservation Application date 6/11/01
2.	Stockbridge Munsee Community of Wisconsin 1035 miles from Reservation	333 Acres - Town of Thompson, Sullivan County, NY	Off-Reservation Application date 2/11/02
3.	Keweenaw Bay Indian Community of Michigan 65 miles from Reservation	80 Acres - Negaunee Township, Marquette County, Michigan	Off-Reservation Application date 4/21/99
4.	Bad River Band of Lake Superior and St. Croix Chippewa Indians of Wisconsin - 339 miles (BR) & 332 miles (SC) from reservation	25 Acres - Beloit, Rock County, Wisconsin	Off-Reservation Application date 7/30/01
5.	Pueblo of Jemez of New Mexico 293 miles from Reservation	78.431 - Anthony, Dona Ana County, New Mexico	Off-Reservation Application date 12/23/04
6.	Kickapoo Tribe of Kansas, Prairie Band of Potawatomi Nation & Sac and Fox Nation of Missouri in Kansas & Nebraska	80 Acres - Wyandotte County, Kansas	Off-Reservation Application date 04/30/04
7.	Fort Mohave Tribe of Arizona- 2.5 miles from reservation	300 Acres - Needles, San Bernardino County, CA	Off-Reservation - Land is in trust - Application date 9/12/03
8.	Menominee Tribe of Wisconsin 190 Miles from Reservation	223 Acres - Dairyland Park, Kenosha, WI	Off-Reservation Application date 07/2004
9.	Timbasha Shoshone of California 100 miles from Reservation	58 Acres - City of Hesperia, San Bernardino County, CA	Off-Reservation 2719(b)(1)(A)
10	Confederated Tribes of the Warm Springs Reservation 35 miles from Reservation	25 Acres - Cascade Locks, Hood River County, Oregon	Off-Reservation 2719(b)(1)(A) Application dated 04/05/05

PENDING
SECTION 20 (b)(1)(A) OFF RESERVATION
LAND APPLICATIONS for GAMING
February 2006

11	Northern Cheyenne, Bighorn County, Montana 20 miles from reservation	300 Acres - Bighorn County, Montana	Off-Reservation 2719(b)(1)(A)
12	Tule River Indian Tribe, Porterville, California	39.9 Acres - Tulare County, California	Off-Reservation 2719(b)(1)(A)
13	Hannahville Indian Community, Wilson, Menominee County, Michigan - 457 miles from reservation	9.8 Acres, Romulus, Wayne County, Michigan	Off-Reservation 2719(b)(1)(A) Application date 2/16/06

RON SUPPAH
CHAIRMAN, WARM SPRINGS TRIBAL COUNCIL
CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION OF OREGON

TESTIMONY
BEFORE THE COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

OVERSIGHT HEARING ON OFF-RESERVATION GAMING:
LAND INTO TRUST AND THE TWO-PART DETERMINATION

WASHINGTON, D.C.
FEBRUARY 28, 2006

Good morning, Chairman McCain and members of the Committee. My name is Ron Suppah and I am Chairman of the Tribal Council of the Confederated Tribes of the Warm Springs Reservation of Oregon ("Warm Springs" or "Warm Springs Tribe"). I am appearing today to describe our Tribe's efforts and activities regarding the land into trust and the Secretarial Two-Part Determination processes for our off-reservation casino project in the City of Cascade Locks, Hood River County, Oregon.

INTRODUCTION

The Warm Springs Tribe is now engaged in the process of seeking federal approval of a tribal gaming facility at a location within our aboriginal and Treaty ceded lands 38 miles from our Reservation and 17 miles from a parcel of Warm Springs trust land that is eligible for gaming. Our actions are based on unique circumstances, and we are well along in the process. In our efforts, which have been underway for several years and are based on a partnership forged with the surrounding community and with Oregon's Governor, the Tribe has been diligent, open and fair, and we have scrupulously abided by all applicable laws, regulations and guidelines. Doing so has been expensive. Through 2005, we have spent $4.2 million on the Indian Gaming Regulatory Act ("IGRA") and land-into-trust processes. We have also spent about $8 million for architecture, engineering and design services. All of this has been our own money. Although we do not know whether we will succeed in this effort, we believe we have been following a model process for pursuing gaming on after-acquired land and ask that, as the Committee considers revisions to the Indian Gaming Regulatory Act, you retain and clarify the Section 10 provisions in S. 2078 to allow us to complete the process as it is currently written.

In pursuing this project, we are following procedures based on IGRA for securing a Class III Gaming Compact with the Governor of the State of Oregon and for obtaining the Secretary of Interior's "two-part determination" and the Governor's concurrence in that determination under Section 20(b)(1)(A) of IGRA. We are also following regulatory procedures set forth in 25 CFR Section 151 for acquiring an off-reservation parcel of land in trust for gaming purposes. As we

pursue the land-to-trust and "two-part determination" process we are guided by the Compact we signed on August 6, 2005, with the Governor of Oregon and by the Memorandum of Agreement we executed on March 25, 2005, with the local host governments, Cascade Locks and Hood River County. Both of these agreements address in great detail the impacts and benefits of the project to the surrounding community and to the State of Oregon.

Before examining these particular processes in more detail, I would like to provide some background on the dire financial circumstances that have led us to pursue this project. I would also like discuss how we gained the support of Oregon's Governor and the local community for the project, and the costly and time-consuming efforts we have been making to pursue the project to this late stage in the existing IGRA process.

DECLINING TRIBAL ECONOMY

Warm Springs Background

The Warm Springs Indian Reservation is a beautiful but remote expanse of 650,000 acres in north Central Oregon. The Warm Springs Reservation is almost entirely trust land and, as the only reservation in Oregon excluded from Public Law 280, 67 Stat. 588 (1953), the Tribe is the governmental entity primarily responsible for public safety and other essential governmental services on the reservation. For many years, the Warm Springs tribal government has relied on timber and hydroelectric revenues to support governmental services to our more than 4,400 enrolled members. But in recent years, these revenues have declined and have been insufficient to meet our governmental needs.

Declining Tribal Revenues

The dramatic decline in our timber revenues illustrates the problem we are facing. In 1994, timber revenues contributed $23.8 million toward our total tribal revenues of $37.6 million. By 2002, timber revenue had plummeted to just $5.7 million, bringing total tribal revenues down to $25.3 million. Thus, over this recent eight-year period a 74% drop in tribal timber revenue resulted in a 33% decline in total tribal revenues.

The long-term outlook for timber income continues to be pessimistic as our tribal forest resource adjusts to conservative sustained yield forest management practices and the national and global wood products markets continue to remain depressed. As a result, the decade-long decline in the Tribe's revenue picture is projected to only worsen in the years ahead. Tribal revenue projections show 2002 actual revenues of $25,594,000 declining steadily to 2011 forecasted revenues of just $19,404,000. The Tribe's cash flow forecasts show that, beginning in 2006, basic operational expenditures are likely to exceed revenues. This means the Tribe will be required to dip further into its Revenue Reserve ("Rainy Day") Fund, just to try to provide minimum governmental services to the tribal members and reservation residents, or, alternatively, impose very painful budget cuts in tribal operations. Indeed, just recently the

Tribe's revenue decline forced us to slash our 2006 base budget by $2 million, which was accomplished only be eliminating entire tribal departments such as the Tribal Economic Development Department. We anticipate that the 2007 budget will require an additional $2 million cut and a further $1.5 million reduction will be needed for the 2008 tribal budget.

Consequences

As tribal revenues decline over time, essential services and needs go unmet and additional needs accrue. In addition, while essential governmental needs go unmet, tribal enterprises are deprived of capital to grow their enterprises and provide on-reservation job and training opportunities. Because of the shrinking job base and high unemployment, a sizable portion of the reservation population depends entirely on federal and tribal social service programs, which have experienced budget cuts in each of the last ten years.

As the Tribe's membership grows and its revenues decrease, needs continue to go unmet and increase in number and magnitude. This is an unsustainable cycle that the Tribe seeks to remedy with revenues from the Cascade Locks gaming facility. Increased tribal income is needed to provide services and infrastructure to help reverse this negative trend, especially in the areas of education, health care and economic opportunity programs.

WARM SPRINGS GAMING, HOOD RIVER AND CASCADE LOCKS

Our Current Casino

In an effort to address this growing financial crisis, in 1995 the Tribe opened a small Class III casino on the reservation as part of the Tribe's existing Kah-Nee-Ta Resort. However, the Kah-Nee-Ta casino is isolated from Oregon's major population centers, and its revenues have done little to span the growing gap between our Tribe's income and our governmental requirements. As a result, our tribal budgets have continued to decline and we have been forced to cut services as well as draw upon our limited emergency reserve funds.

Under the terms of our Compact with Oregon's Governor for the Cascade Locks casino, which we signed on April 6, 2005, we are required to close the casino at Kah-Nee-Ta when we open our facility at Cascade Locks.

The Columbia River

To address the Tribe's increasingly difficult financial circumstances, in the late 1990s we conducted a survey of potential alternative gaming sites. This process led to a tribal referendum, approved by nearly 80% of the tribal voters, directing the Tribal Council to pursue development of a casino on our traditional lands along the Columbia River. We initially focused on a 40 acre parcel of pre-IGRA tribal trust land, which is eligible for gaming, on a wooded hillside overlooking the Columbia River just outside the City of Hood River, Oregon.

Since time immemorial, the Columbia River has been the home of our people. Its salmon, eels and other foods have nourished untold generations, and when we agreed in our 1855 Treaty to

move from our traditional homes along the Columbia River and its Oregon tributaries to our current reservation south of the Columbia, our forefathers were careful to reserve our rights to continue to fish on the river as well as hunt, graze and gather traditional foods throughout our Treaty ceded lands. Fishing on the Columbia River remains at the core of our culture, and many of our people continue to fish today for ceremonial, subsistence, and commercial purposes. Indeed, many of our tribal members live year-round on the Columbia's banks, and thousands of acres of individual Indian and tribal trust allotments are scattered along the Columbia.

Hood River and Cascade Locks

As the Tribe moved forward with preparations to develop a casino on the Hood River trust land, the City of Hood River and others in the area expressed concerns about locating a casino there. At that time, 1998 and 1999, the struggling community of Cascade Locks, Oregon, seventeen miles to the west, approached the Tribe about the possibility of locating a facility in the mostly vacant Cascade Locks Industrial Park, which was created in the 1970's along the banks of the Columbia River out of fill material from construction at nearby Bonneville Dam. The Cascade Locks site is within the Tribe's Treaty ceded lands along the Columbia River in which Warm Springs holds federally protected off-reservation treaty reserved fishing, hunting and gathering rights. The Cascade Locks site is also within the area determined by the Indian Claims Commission in Confederated Tribes of the Warm Springs Reservation of Oregon v. United States (Docket No. 198) to be the Warm Springs Tribe's aboriginal lands exclusive of the claims of any other tribe or tribes.

Shifting the Tribe's Columbia River casino development plans from the gaming-eligible Hood River site to the Cascade Locks Industrial Park site will be beneficial for both the Cascade Locks and Hood River communities as well as the State of Oregon. Cascade Locks, like our Tribe, desperately needs an economic boost. Based on binding commitments made in our Compact and in ancillary agreements with the State, developing a casino at the Cascade Locks Industrial Park preserves the pristine and undeveloped Hood River trust lands, thus alleviating Hood River's concerns about a casino in their community. Forgoing development of the Hood River trust lands also means the trust land's scenic values will be retained and the land, otherwise exempt from State and federal Columbia River Gorge National Scenic Area Act restrictions, will be managed consistent with an adjacent Oregon State Park.

PROCESSES

When Warm Springs decided to work with Cascade Locks in pursuing a casino, we fully recognized the off-reservation site posed new and very significant challenges. Unlike the Hood River trust lands site, which is already gaming eligible, we understood that we would have to pursue the IGRA Section 20 (b)(1)(A) "two-part determination" and the 25 CFR Part 151 fee-to-trust process to take the Industrial Park site into trust for gaming. We recognized we would have to be exceptionally diligent and careful in addressing these challenges, that we would have to, in fact, conduct a model process that would be very expensive. In examining this process below, we divide its elements into four distinct procedural parts, which we discuss in

turn: 1) Pursuing the Compact with the Governor and the Memorandum of Agreement with the local governments, 2) Undertaking the 25 CFR 151 land into trust process and the IGRA Section 20(b)(1)(A) two-part determination process, 3) working with the BIA on preparation of the Environmental Impact Statement, and 4) On-going casino architectural, design and engineering activities.

1) The Compact and Local Government Agreements

In our discussion of the procedures we are following to pursue our off-reservation facility, we are including a discussion of our Compact and ancillary agreements with the State, and our Memorandum of Agreement with the local governments, because we firmly believe that reaching those agreements first plays an essential role in our subsequent pursuit with our partners of the Secretarial two-part determination and the land into trust process. In negotiating and achieving these agreements, the parties have developed a trust and commonality of purpose. Moreover, this effort has allowed the Tribe to forge a formal partnership with the State and local governments, based on the Compact and the Memorandum of Agreement, that has greatly facilitated the consultations required by the fee-to-trust and two-part determination processes. Our partners know our plans, understand how we will mitigate impacts and agree on how the project will benefit the local community and the State of Oregon. Accordingly, they have been able to participate in the fee-to-trust and two-part determination processes based on certainly and a shared commitment to the project. In short, we discuss these agreements because they are an essential component in the Cascade Locks effort.

Informing the Oregon Governor's Office and the Department of the Interior of the Tribe's intention to develop a casino at the Cascade Locks site in lieu of the Hood River trust lands site, in 1999 the Tribe initiated what became years-long discussions with Cascade Locks and the State that resulted in a series of agreements signed in March and April, 2005 between Cascade Locks, the Tribe and the State. These agreements include a Class III gaming Compact with the State, a separate agreement with the State regarding preservation of the Hood River trust lands and a Memorandum of Agreement with the City of Cascade Locks and Hood River County addressing impacts of the casino on the local community. Our approach of entering into these agreements before taking the land into trust for gaming was intended to address any local concerns about developing a casino in the Cascade Locks Industrial Park and to secure the Governor's commitment to concur in the Secretary's two-part determination pursuant to Section 20(b)(1)(A) based on the Tribe's obligations regarding environmental protection, working conditions, the Community Benefit Fund and revenue sharing as set out in the Compact. This approach has led to unanimous governmental acceptance of the Cascade Locks site, as indicated by the thirty-two federal, State and locally elected officials who have endorsed and embraced the Cascade Locks site in an April 29, 2005, letter to Interior Secretary Norton and based on the positive responses from the local governments in Oregon and Washington and the Governor of Oregon in the BIA consultations required by the two-part determination and the 25 CRF Part 151 processes.

Regarding the Compact, in March of 2004, we entered into formal negotiations with the State that concluded over a year later when the Governor and the Tribe signed the Compact on April 6, 2005. In reality, however, we began informal discussions with the State on the terms of a Cascade Locks compact almost a year and a half earlier in the fall of 2002, which is about the same time that we started work on the Memorandum of Agreement with the City of Cascade Locks and Hood River County. The product of these lengthy and time-consuming negotiations is a Compact that is unusually comprehensive and fair, and is supported by the local counties, nearby cities and towns in Oregon and Washington, Congressman Greg Walden (R-Ore) who represents Cascade Locks and Hood River, and State legislators from the area, in addition to°the Governor, Cascade Locks, and our Tribe. The Compact provides the public in Oregon and Washington with an advanced notice of the environmental benefits to Cascade Locks and nearby Columbia River Gorge communities should the contingency of taking the Cascade Locks land into trust become a reality. Specifically, approximately 40 acres of tribal trust lands near Hood River would be perpetually protected against development; an additional 175 acres of adjacent scenic Columbia River Gorge lands currently owned by our Tribe would be perpetually protected and conveyed to the Oregon State Parks Division; environmental protection, energy efficiency and sustainable building standards would define and control our casino/resort development; and millions of dollars from a tribally established Community Benefit Fund would be used to protect and enhance the Columbia River Gorge National Scenic Area. The Compact also provides very significant benefits to the State as a whole through revenue-sharing payments of up to seventeen percent of the casino's annual "net win" to a Warm Springs Tribe/Oregon Benefit Fund to be used primarily for college scholarships as well as for protection of the Columbia River Gorge and for economic development projects throughout Oregon.

The Tribe expended approximately $2 million between the fall of 2002 and April, 2005 negotiating the Compact and related agreements with the State and developing the Memorandum of Agreement with Cascade Locks and Hood River County that addresses project impacts and mitigation and sets up a Community Benefit Fund.

Compact Disapproved by Interior Policy Change.

On April 8, 2005, the Tribe and the Governor submitted the Compact to the Secretary of the Interior for the 45-day review provided under IGRA. As usual, the Secretary's review team asked for clarification regarding several sections of the Compact. When the Governor and Warm Springs submitted a response, we requested a meeting to go over the questions and responses. On the afternoon of May 17, four days before the end of the 45 day review period, we met with personnel from the Office of Indian Gaming Management, the Secretary's Office and the Solicitor's Office. In the meeting, we proceeded through our responses to the Department's questions, and while not all issues were resolved, there were no significant objections. Then, in the final ten minutes of the meeting, the Director of the Office of Indian Gaming Management informed us that the Secretary's Office had a fundamental concern about approving the Compact before the land was taken into trust, and was considering whether to disapprove the Compact on that basis.

The Tribe and the Governor's Office filed written responses within two days noting that we had acted in good faith on Interior Department representations that negotiating and executing the Compact first was acceptable, that the Compact specifies it becomes effective only when the subject land is taken into trust for gaming, and that IGRA does not require that the land be in trust at the time the Compact is approved. We also noted that the Secretary has, in the past, approved a number of compacts before the subject land has been taken into trust for gaming. Unfortunately, two days later, the Department disapproved our Compact due to the new procedural requirement, previously unknown and unpublished and representing a reversal of previous practice, interpreting IGRA Section 11(d)(8)(A) to require that land must be in trust for gaming before the Secretary will consider the related compact. The Secretary's letter noted it does not address any element of the Compact other than that regarding procedural sequence.

2) The Land into Trust and the Two-Part Determination Processes

Coming at the 11th hour of our Compact's consideration, the Secretary's surprise policy announcement of course disappointed us. However, as a result of this decision, and as recommended in the Secretary's disapproval letter, we are proceeding forward with our application to take the land into trust under 25 C.F.R. Part 151 and for a Secretarial two-part determination under IGRA Section 20(b)(1)(A). On April 8, 2005 the Tribe formally submitted Tribal Council Resolution No. 10,500 and a written application to the BIA's Northwest Regional Office and to the BIA Office of Indian Gaming Management in Washington, D.C. requesting the initiation of land-into-trust proceedings for the Cascade Locks casino site. The request seeks 25 acres in the Cascade Locks Industrial Park to be taken into trust for the proposed casino and accompanying hotel. The April 8, 2005, application also seeks a Secretarial two-part determination under IGRA Section 20(b)(1)(A) that taking the 25 acres into trust for gaming purposes will be beneficial to the Tribe and its members and will not be detrimental to the surrounding community. Once the Secretary has made the positive two-part determination, the Governor has concurred in that determination, and the land has been taken into trust, we will resubmit the Compact for the Secretary's 45 day review.

In early June, 2005, the BIA Northwest Regional Office initiated the consultations required by the 25 CFR Part 151 fee-to-trust regulation by seeking comments and responses to specific issues set out in 25 CFR Sec. 151.11(d) from the governments with jurisdiction over the Cascade Locks property (City of Cascade Locks, Hood River County and the State of Oregon). The responses were uniformly positive and supportive of the Tribe's application to take the land into trust.

On June 15, 2005, the BIA Northwest Regional Office initiated the Secretarial two-part determination pursuant to IGRA Section 20(b)(1)(A) by sending our Tribe a consultation letter requesting information and responses to thirteen specific questions. At the same time, BIA Northwest Regional Office solicited information and responses from appropriate State and local officials, nearby Indian tribes, and surrounding communities regarding the Cascade Locks project. On August 15, 2005, as that comment period concluded, Warm Springs formally submitted our 45-page response, with hundreds of pages of supporting exhibits. The responses

from the surrounding community, defined in the Office of Indian Gaming Management's "checklist" for the two-part determination process as local governments within 10 miles of the casino site, tribes with trust land located within 50 miles and the State in which the project is located, were broadly supportive of the project and expressed no objections.

The Tribe has expended approximately $200,000 from March, 2005, through the end of 2005 in submitting and pursuing its application to take the 25 acres of Cascade Locks Industrial Park land into trust under 25 CFR Part 151 and for the Secretary's two-part determination under IGRA Section 20(b)(1)(A). This figure does not include the cost of the environmental review, which although it is ancillary to the fee-to-trust and two-part determination processes is discussed separately below.

3) The Environmental Impact Statement Process

Having completed the Compact agreement with Oregon's Governor and having executed the Memorandum of Agreement with the local governments addressing project impacts and benefits, we have moved into the very costly environmental review process required by the National Environmental Policy Act ("NEPA") for the Secretary's final decision on our fee-to-trust and two-part determination application. The process will generate a full environmental impact statement (EIS), and not just an environmental assessment. The BIA's Notice of Intent to prepare an EIS and to initiate the public "scoping" process was published in the Federal Register on August 30, 2005. From September 15, 2005, to September 28, 2005, the BIA Northwest Regional Office hosted five public scoping meetings on the EIS, with meetings in Hood River, Cascade Locks, Portland, and Stevenson, Washington and took public comments through October 15, 2005. An additional public comment period on scoping issues was held throughout the month of December, 2005. Even before the publication of the Notice of Intent, the BIA held pre-scoping meetings with interested agencies in July and August, 2005 and a chartering meeting with the action and partner agencies on May 31, 2005. We anticipate a draft EIS will be presented for public review and comment this summer, with a final EIS due to follow in the fall. This process, which is part of the on-going fee-to-trust and two-part determination processes, is the last major step leading up to the Secretary's final decision and the Governor's concurrence. It is also an expensive process in which the Tribe is required to pay the full cost of the environmental contractor hired by the BIA to prepare the EIS.

We note that through the EIS public scoping process and through media advertisements intended to influence the Secretary's final fee-to-trust decision, it has become apparent that even though our project enjoys unanimous support from the local governments in the surrounding area and from Oregon's Governor, it is strongly opposed by the Grand Ronde Tribe whose Spirit Mountain Casino is located more than 100 miles from Cascade Locks but would share the Portland/Vancouver gaming market with the Cascade Locks casino. In contrast, two other Oregon tribes, the Siletz Tribe and the Coquille Tribe, have written letters to the BIA in support of the Cascade Locks casino. We are also opposed by Friends of the Gorge, a Portland group opposed to development in the Columbia River Gorge. While the Cascade Locks casino site is

surrounded by the Columbia River Gorge National Scenic Area it is specifically excluded from the National Scenic Area because it is part of the City of Cascade Locks urban area, which is identified in the Gorge Act as the intended location of economic development in the Columbia Gorge. See, 16 U.S.C. sec. 544b(e), 16 U.S.C. sec. 544d(c)(5)(B) and 16 U.S.C. sec. 544(a)(2).

From the time in the spring of 2005 when the BIA formally engaged its environmental contractor for the Cascade Locks project, we have been paying the bills for their work. This includes work conducted before the publication of the Notice of Intent involving collection of baseline data for he EIS technical studies. All told, from the initiation of the NEPA process through the end of 2005, the Tribe has spent approximately $2 million on the cost of the BIA's environmental contractor and other expenses associated with NEPA compliance.

4) On-Going Casino Architectural, Design and Engineering Activities

When, in 2002, the Tribe concentrated its efforts on the Cascade Locks Industrial Park site and began serious negotiations with the State and the local governments on the Compact and the Memorandum of Agreement -- the documents that would form the basis of our partnership with these critical entities -- we also begin work on the architecture, design and engineering aspects of the project. We did so because we understood that the visual and operational qualities of the facility would be important and legitimate concerns of our State and local government partners. Indeed, our commitments on issues concerning design and operation of the facility, such as visual compatibility with the surrounding landscape and our commitment to certain standards of energy efficiency, are spelled out in our Compact. Also addressed in the Compact and our Memorandum of Agreement with the local governments are issues related to construction of a freeway interchange on Interstate 84 adjacent to the Industrial Park and to traffic flows and street configuration in the area of the casino. Doing the work necessary to reach agreement on these issues, and to get us to the point we are at today with detailed plans for a multi-level structure on a footprint of 270,000 square feet with underground parking, has required significant expenditure of tribal resources on landscape and building architects, highway and structural engineers, as well as other professionals. We have also had this work done, much of which is largely completed, so that we will be prepared to start construction as soon as we receive the final approvals from the Secretary of Interior on our Compact and on our land-to-trust application. In total, from the fall of 2002 through the end of 2005, the Tribe has spent approximately $8 million on engineering, site development, design and architectural services related to the project.

Funding

We wish to emphasize that Warm Springs is paying for these efforts ourselves. Throughout the Tribe's nearly decade-long effort to address its worsening financial crisis through development of a casino on the Tribe's traditional lands along the Columbia River, the Tribe has utilized its own funds and resources. No management company or outside financial partner has been involved. As detailed above, since the Tribe settled on the Cascade Locks Industrial Park site, Warm Springs has expended about $12.2 million in scarce tribal resources to pursue the Cascade Locks

project to this point: $4.2 million for IGRA and land-into-trust processes and $8 million for architecture, engineering and design. To complete the environmental review, the two-part determination and the fee-to-trust process, including exercising our option to purchase the 25 acres, and to finish all other processes necessary to allow construction to begin, we expect to spend an additional $9 million.

FAIRNESS

As described above, our Tribe, the Oregon Governor, Cascade Locks and many surrounding communities and jurisdictions have invested great amounts of time, energy and scarce resources in fully complying with established processes thus far. Moreover, and perhaps unique among tribes, Warm Springs has followed this costly and time-consuming process relying solely on our own funds in an effort to produce a model partnership between the Tribe, State and local communities. With so much time, effort and expense committed thus far by our local partners, the State, and our Tribe, we strongly support the concept in Section 10 of Chairman McCain's IGRA bill, S. 2078, that would enable projects such as ours, well into the established process with significant investment, to see these existing processes through to the end. We have been working very hard to abide by the letter and the spirit of the current rules, and believe Section 10 intends to provide the basic fairness that will allow us the take them to their conclusion. We very much appreciate that, and hope to work with the Committee on any clarification of Section 10's language.

THE FUTURE OF OFF-RESERVATION GAMING UNDER THE TWO-PART DETERMINATION

While we recognize that there is a national policy debate over the subject of off-reservation gaming, we also believe that the two-part determination process we have been following for the Cascade Locks project is the most open and deliberate, the most sensitive to local and statewide concerns, and therefore the most difficult of all the Section 20 processes for taking "after-acquired" lands into trust for gaming. Indeed, unlike the other Section 20 processes, such as those establishing casinos on new reservations for administratively recognized or restored tribes, **an application for the two-part determination cannot succeed without the support of the local community and the state's governor.** No doubt, these stringent requirements are the reason why only three applications for a two-part determination have led to the establishment of off-reservation casinos in the 18 years since IGRA's enactment. Nonetheless, we believe that because of the partnership we have forged with the local community and with Oregon's Governor, we are poised by the end of this year or early next year to become only the fourth tribe to have established a casino nearby but outside our reservation under the two-part determination process. Our confidence in this outcome is bolstered by the fact that, like the three existing "two-part determination" casinos, ours will be located in our state and in our exclusive aboriginal and Treaty ceded territory.

But we also note that simply the potential availability of the two-part determination process can generate controversy. While we have sought to be careful and have deeply, collaboratively and expensively engaged in the process from the beginning with the Governor and our host governments, there have been instances where tribes, with absolutely no engagement of or stake in the established process, have suddenly announced an intention to jump to an urban area. While the tribe may not have any realistic chance of surviving the process, their rash pronouncements cause upsetting headlines and consternation throughout the community, and unnecessarily contribute to the overall difficulties for tribal gaming. An example in our area is the repeated and controversial proposal in recent years by the Grand Ronde Tribe, which ironically opposes our Cascade Locks project, to site an off-reservation casino in downtown Portland presumably using the two-part determination process. Only after Oregon's Governor and Portland's Mayor expressed public opposition did the headlines and public controversy go away. Tribes, or perhaps some of their developer partners, making these rash headlines give the impression that off-reservation casinos are sprouting everywhere. In fact, a November, 2005 listing by the Office of Indian Gaming Management shows only nine tribes nationwide, including Warm Springs, as having actual applications for a two-part determination under review with the Interior Department.

Warm Springs, as an active participants in the current two-part determination process, is somewhat constrained in suggesting how the process might be changed. But providing more clarity and certainty for the process would certainly help. We note with approval the idea of the BIA issuing clear regulations for the existing process, which we understand the Bureau is currently proposing to do based on the Office of Indian Gaming Management's "checklist" for Section 20 after-acquired lands applications. Also, readily available explanatory materials and, where appropriate, meetings for the general public would be helpful, as shown by the recent Interior Department meetings to describe the process for the newly restored Cowlitz Tribe's application for gaming on an initial reservation under IGRA Section 20(b)(1)(B). Furthermore, as we have pointed out, we firmly believe that forging a partnership with the local community and the state's governor early on before undertaking the land-to-trust and two-part determination processes, can be very beneficial, and even critical, in helping set forth with certainty and clarity what will actually happen on the ground, how impacts will be addressed and what benefits will accrue to the local community and to the state, before the principal parties engage those processes.

CLOSING

Mr. Chairman, we appreciate the opportunity to come before you and discuss our experiences with current off-reservation casino processes for a tribe with an established reservation. We are working hard to abide by the letter and spirit of these processes, including those for taking land into trust for gaming and the Secretarial two-part determination, and we believe they are generally working for us. They are difficult, time consuming, expensive, and final success is by no means assured. We have had our setbacks. But we understood heading in that there would be challenges, and are doing our best to fully address them. Accordingly, Mr. Chairman, while

Congress considers changes to IGRA, we wish to express our appreciation for your bill's fairness in dealing with Indian tribes such as ours. Last year we celebrated the 150th anniversary of the Treaty that moved our ancestors from the land along the Columbia River to our current Warm Springs Reservation. Although the history of relationships between the United States and Indian tribes has not always been smooth, the people of Warms Springs have sought to work cooperatively with our federal partners on the basis of mutual trust. We have done the same with our State and local government partners. Together over time, we have learned how to solve problems by establishing mutual agreements and playing by the rules. Now, as we have been diligently pursuing a model process under IGRA's current requirements, your IGRA legislation provides a modern opportunity for this Committee to reinforce those timeless values of reliability and fairness.

Thank you.

Written Testimony of R. Dale Walker, M.D.
Director, One Sky Center: National Resource Center for American Indian/Alaska Native Substance Abuse and Mental Health Services
President, First Nations Behavioral Health Association
Oversight Hearing on FY2007 Budget
U.S. Senate Committee on Indian Affairs
February 28, 2006

Chairman McCain, Vice-Chairman Dorgan, and distinguished members of the Committee, I am R. Dale Walker, Director of the One Sky Center. The One Sky Center is the first National Resource Center dedicated to improving substance abuse and mental health services among American Indians and Alaska Native people. The One Sky Center is located at Oregon Health & Science University in Portland, Oregon.

I am also president of the First Nations Behavioral Health Association, a newly formed national Native health professional organization developed to advocate for the mental well being of native peoples throughout the United States.

I am a Cherokee psychiatrist, qualified in addictions, and with 26 years experience working with native people and tribal communities in the fields of substance abuse and mental health.

I would like to take the opportunity to express my concerns regarding the proposed cuts and elimination of programs in the President's FY2007 Budget for the Indian Health Service. These reductions would have a severe impact on the current health care delivery system for American Indians and Alaska Natives who reside in reservation and urban areas.

As this Committee knows, the American Indian and Alaska Native people in the United States have a unique relationship when it comes to health care. Based on numerous treaties, federal laws, the U.S. Constitution, and U.S. Supreme Court cases, American Indians and Alaska Natives surrendered their traditional homelands, and altered their aboriginal ways of life, in exchange for basic services, including assurances of health care. This promise in exchange for land is one part of the trust relationship, which is a moral obligation of the United States to American Indian and Alaska Native people.

I am opposed to the proposed elimination of the Urban Indian Health account. This cut would adversely affect 34 Urban Indian health facilities, including the Native American Rehabilitation Northwest, Incorporated (NARA NW) located here in Portland, Oregon. The President's FY2007 request proposes to eliminate funding for the urban Indian health programs currently funded at $32.7 million in FY2006.

The Administration argues that the urban Indian program duplicates other programs, for example, Community Health Centers (CHC); therefore, the urban Indian monies should be restored to the Indian Health Service budget.

The Administration's rationale regarding duplicity is unsubstantiated. The CHSs are totally unprepared to assume this responsibility. I have attached an Indian Country Today article with my written testimony that underscores this point as stated by Daniel Hawkins, Jr., vice-president of the National Association for Community Health Centers in a February 10, 2006 letter written to the president.

The argument that these services can be provided by other programs serving the general population is in direct conflict with the findings of the New Freedoms Commission Report, the Surgeon Generals Report and the Call to Action Federal Initiative. All of these documents report a need to reduce health care disparities that exist within specific ethnic and cultural groupings. Not only are the services offered by mainstream programs inadequate, but in some instances, potentially harmful.

The Community Health Centers do not offer the same type of delivery of services that Urban Indian Health Centers offer. The Urban Indian Health Centers offer health services such as dental, pharmaceutical, vision, alcohol and mental health treatment, suicide prevention and family wellness in culturally relevant ways that are effective for tribal patients. Culturally appropriate service would be lost if CHCs were to assume this responsibility. Many of the approximately 1.3 million urban dwelling American Indians and Alaska Natives, nationwide, would be newly deprived of needed health services.

As the Nation grapples with the already huge problem of the uninsured in this country, the proposed elimination of Urban Indian Health Centers would add thousands more to the uninsured.

A local example of the impact of this proposed budget cut reveals the following concerns; The U.S. Census 2000 reported 45, 211 Native Americans reside in the State of Oregon with 12,114 in the Portland tri-county metropolitan area. The Native American Rehabilitation Association Northwest, Inc (NARA) is Indian-owned and Indian-operated. Established in 1970, NARA employs 100+ workers in four Portland locations. As a private, non-profit organization, NARA provides culturally appropriate services: Indian Health Clinic, Outpatient Treatment Center, Residential Treatment Center, and Youth and Family Wellness Center.

With the proposed elimination of the urban IHS program, NARA would stand to lose nearly one-third to one-half their annual operating budget, negatively impacting the Portland urban Indian community greatly. It is likely that key services will be eliminated, rationed, and staff reductions could also occur leaving many without jobs contributing to an already high unemployment rate in Oregon, one of the highest in the nation.

This is a local example that will occur nationwide in major cities that have existing urban Indian health facilities. Many American Indians and Alaska Natives have moved to urban areas in an attempt to escape the poverty and high unemployment rates often found on reservations. Many tribal people have also moved to pursue educational opportunities that are limited on the reservation, opportunities that many Americans take for granted.

Today, about 60 percent of Native Americans live in urban areas, with a gradual improvement in the socio-economic status of America's First Nations. This advancement is supported, in part, by the continuing, obligatory contributions to their health services. According to the Indian Health Service, in FY2006 these urban health programs provided over 700,000 health services to 1.3 million American Indians/Alaska Natives residing in urban areas.

There are 34 Urban Indian Health Centers that provide culturally appropriate health services to Native people, including primary care as well as outreach and referral services. These Centers receive funding from the Indian Health Service as well as other government and private sources. According to the National Council on Urban Indian Health (NCUIH), insufficient funding is now limiting the health services available to urban Indians. The NCUIH estimates a current funding shortfall of $1.5 billion, which is already restricting IHS to serve only about 16 percent of eligible urban Indians.

I ask this Committee, and the Administration:

Where will the thousands of American Indians and Alaska Natives affected by this elimination go for their health needs – those who do not have private health insurance and are not eligible for Medicaid, Medicare, Veteran Administration, or State Children's Health Insurance Program coverage?

Where will these dislocated tribal people go; what are their options?

What is the Administration's plan to fulfill its trust obligation to Native people for health care?

There are three options:

1. Going to the individual's Tribal reservations for health care. However, urban-dwelling Tribal members' reservations are, in many cases, hours, and potentially hundreds of miles away. For example, approximately 640 tribal members of the Confederated Tribes of Grand Ronde that reside in the Portland-Vancouver area could travel, with great difficulty, to the Grand Ronde reservation located approximately 70 miles from Portland, for health care services. Doing so would overwhelm the Grand Ronde's tribal health clinic.

2. Going to the nearest tribal health clinic. However, tribally operated services are sometimes available exclusively to members of the resident Tribe. Members of other tribes would not have access to any service at all. Eligibility and services rendered would be determined at the local, tribal level for each tribally operated unit. There is no guarantee of health services.

3. Going to Indian Health Service operated units. However, such units may exclude Tribal members who reside in a geographic unit (e.g. a neighboring county or city) not

covered by the Contract Health Service Delivery Area (CHSDA). This could impact the Chemawa Indian School Western Service Unit located in Salem, Oregon approximately 45 miles from Portland.

In fact, the only option for many urban dwelling Indian people would be going without health services at all.

These are very real, complex scenarios today in Indian Country, which exacerbate an existing disaster for Indian people. The proposed elimination of funding for the Urban Indian Health Centers is a backward step on the road to reducing disparities, and is a violation of federal obligations to Indian people. This proposed elimination lacks any realistic option for an uninsured urban Indian when the 34 urban Indian health clinics are forced to close.

I would respectfully urge the Senate Committee on Indian Affairs to recommend to the Senate Budget Committee through its Views and Estimates Letter to restore funding for the Urban Indian Health Centers, and, further, to recommend an increase in funding of $12 million over the FY2006 enacted as recommended by the National Council on Urban Indian Health.

Although I understand the cost pressures on the nation's federal budget, it remains the moral and legal obligation of the United States to approximately 2 million American Indians and Alaska Natives to provide quality health care whether on the reservation or in urban areas. It is the right and only thing to do.

Thank you for this opportunity.

Urban health program funding euthanized.

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Posted: February 17, 2006

by: **David Melmer** / Indian Country Today

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AP Photo/Seattle Times, Ken Lambert -- Dr. Kim Kardonsky of the Seattle Indian Health Board clinic checked 14-month-old Dominique Cerino, Colville/Shoshone, Feb. 10. Holding the child is her mother, Leaann Solomon, a 30-year-old Colville tribal member living in Seattle. President Bush has proposed cutting $33 million that had been requested for the national Urban Indian Health Program, a move that could limit medical care for an estimated 7,000 people in the Seattle area alone.

WASHINGTON - Under President Bush's proposed fiscal year 2007 debt reduction budget, urban Indian health funding would be terminated and patients would have to seek health care through other federally funded health facilities.

More than 60 percent of all American Indians who live in urban areas use urban Indian health facilities, according to the president's budget information. Those patients could find themselves looking for other health providers, mostly at their own expense.

The Bush budget would cut the entire $33 million from urban Indian health. Federal dollars comprise the majority of funding for urban Indian health organizations and clinics.

It was explained in the budget that "urban Indians can often access other publicly funded health programs designed to address health disparities in urban areas, such as Community Health Centers."

Those centers are primarily designed to accommodate homeless, migrant and seasonal workers. The American Indian population is not the primary target group.

Daniel Hawkins Jr., vice president of the National Association for Community Health Centers, expressed his concern to the president in a Feb. 10 letter.

In the letter, Hawkins stated that the two organizations serve complimentary rolls and that the elimination of the urban Indian health program would be detrimental to operations of the health centers in those cities.

He said the two organizations serve different populations in the communities and any increase in the FY '07 budget for the community health centers would allow for only one million American Indian patients.

Urban Indian health clinics and programs do more than provide primary health care. They are sources of education on diabetes, heart disease, alcohol and drugs and provide personal services.

A diabetic patient who asked for transportation from an Omaha, Neb., urban Indian health clinic was taken to an emergency room instead. The clinic employee assigned to transport the patient knew her and realized the woman was in distress and needed emergency care. That comes from knowing the patients, said Dr. Donna Polk-Primm, executive director of the Nebraska Urban Indian Health Coalition. She said employees at the clinic were familiar with the culture and also knew the patients and their needs very well.

American Indian patients in Sioux City, Iowa, which does not have its own urban Indian health clinic, receive support from the Omaha clinic with transportation to and from the facility. Transportation is financed by the Nebraska coalition.

"We spend two to three thousand dollars a month, what is going to happen to that?" Polk-Primm asked. The tribes served in that area are the Winnebago and the Omaha. Polk-Primm said she asked the tribes for money to finance the transportation, but the tribes have no money.

The $33 million cut is to be used, as the budget stated, to improve the health status of an increasing population of American Indians and Alaska Natives who live in rural areas and on reservations. The budget report did not provide details as to how the funds would help or be spent.

A large American Indian population resides in the South Dakota capital city of Pierre, where an urban Indian health center is located. A federally funded health center is also located in Pierre, but according to Alan DenOuden, finance director, it is not clear if that clinic will be funded after March 1.

The Pierre health center cooperates with the UIHO facility and they share many of the same patients, but DenOuden did not know how many clients would potentially use the health center facility.

The Minneapolis Indian health clinic also functions as the community health center. If the proposed budget is passed, about 25 percent of the funds for that clinic would be cut and would mean a loss of 12 to 13 full-time employees, said Dr. Terril Hart, CEO of the Indian Health Board of Minneapolis Inc. He said he was working on contingency plans.

Cutting the budget for urban Indian health would undercut the patients' ability to access health centers, Hart said. Of the some 6,000 patients treated at the Minneapolis clinic, approximately one-half are American Indian.

Urban Indian health programs provide culturally based health services from medicine men, and the health centers do not, Polk-Primm said.

"There are important differences in what we do. We are culturally sensitive. If one of our patients would benefit from having a medicine man or shaman or minister, we understand and will facilitate that need," said Polk-Primm.

The Omaha clinic provides services to the Aberdeen Area tribes in North Dakota, South Dakota, Nebraska and Iowa; it also assists the Prairie Band Potawatomi in Kansas.

"The ramifications [of no funding] are incomprehensible," Polk-Primm said.

Patients may return to their reservations for health care if they have adequate transportation and finances. That would put an extra burden on the reservation-based IHS service units, tribal officials said.

Ron Johnson, IHS coordinator for the Urban Indian Health Program in Billings, Mont., would not comment other than to say he was made aware of top-level UIHO officers who were working on efforts to keep the funding.

"As a government employee I have to support the president's budget."

In past budgets, programs were zeroed out, only to be resurrected by congressional action. Urban Indian officials are also hopeful that FY '07 will be the same.

Hart said he was not so optimistic because of the political climate and the Republican control of both houses of Congress, even though Congress is usually reluctant to cut programs in election years.

An additional $120 million has been budgeted for IHS and will be used for rural and reservation health care. Hart said urban Indian health clinics don't want those funds: "we just want what we had.

"The part that outrages me is there is an abdication of the government's obligations," Hart said.

As part of the opening comments made during the Senate Committee on Indian Affairs budget hearing on Feb. 14, Sen. John McCain, chairman of the committee, expressed concern about the lack of information, data and statistics to support "such a drastic change in the public policy," such as zeroing out the urban Indian health budget.

WRITTEN TESTIMONY

OF

CAROL YORK
HOOD RIVER COUNTY COMMISSIONER
601 STATE STREET
HOOD RIVER, OR 97031-2093

Presented to the
COMMITTEE ON INDIAN AFFAIRS
UNITED STATES SENATE

OVERSIGHT HEARING ON OFF-RESERVATION GAMING:
LAND INTO TRUST AND THE TWO-PART DETERMINATION

WASHINGTON, D.C.
FEBRUARY 28, 2006

Good morning, Chairman McCain and Members of the Senate Committee on Indian Affairs. My name is Carol York. I am one of five locally elected County Commissioners in Hood River County, Oregon. I appear before you today to describe our County's efforts and activities regarding a proposed off-reservation casino in our County. I am honored to be here and thank you for the invitation to testify.

Hood River County is located east of the Portland, Oregon metropolitan area. It is bordered by the Columbia River on the north, the Mount Hood National Forest on the South and Wasco County on the east. Hood River County is also the home of Representative Greg Walden, a strong supporter of the Warm Springs proposal to build a casino in the far western portion of our County. I submit this testimony to you today on behalf of the entire Hood River County Commission.

For the last 8 years – since 1998 -- Hood River County has been actively involved in a local debate about Class III gaming in our County. The Confederated Tribes of the Warm Springs own trust property located immediately east of the City of Hood River – the largest city in our County. While the Warm Springs own and operate a casino in a temporary location on their reservation located approximately 38 miles south of Hood River, since 1998, they have explored the possibility of moving their casino from its existing location to their trust property in Hood River.

However, in *response* to local community opposition to the citing of a casino on their trust property in Hood River – property which happens to be located on beautiful

and prominent headlands overlooking the Columbia River Gorge National Scenic Area -- the Warm Springs have chosen instead, to pursue the acquisition of vacant industrial zoned land in the economically disadvantaged City of Cascade Locks, a community located at the western edge of Hood River County, 17 miles west of Hood River. While the City of Cascade Locks, like the City of Hood River is located within the Columbia Gorge National Scenic Area, the Act creating the National Scenic Area recognized the need for continued economic development in the Gorge and specifically carved out Urban Growth Boundaries within the National Scenic Area where new economic development activity is both permissible and encouraged. The Act also specifically excludes lands held in trust for Tribes (PL 99-663-Nov.17, 1998, Columbia River Gorge National Scenic Act, Sec. 17(a)(7).

Despite the significant hurdles faced by the Warm Springs to go through the Section 20 two-part determination process to move their casino to an area in the Gorge that has been designated for economic development, out of respect for the scenic integrity of the Gorge, respect of the local community desire to preserve the natural characteristics of the Tribe's trust land in Hood River, and in response to an *invitation* from the City of Cascade Locks and the Port of Cascade Locks, to locate their casino in Cascade Locks, the Warm Springs have pursued this option.

I am here today to testify that the Hood River County Commission *unanimously* supports efforts to locate the Warm Springs Class III gaming facility in Cascade Locks, as does the Wasco County Commission to our east, and the Skamania and Klickitat

County Commissions, which are located across the Columbia River from Cascade Locks in Washington State. The Cascade Locks City Council is also strongly supportive, and the City of North Bonneville, Washington (located across the river from Cascade Locks) is also on record in support of the proposal. *None* of these local units of government has come to support this casino proposal on a whim or without deliberate, open public debate which has taken place over many years. In our County alone, the issue was discussed at countless meetings -- all open to the public -- before our County Commission came to its unanimous decision to support the casino in Cascade Locks. And in the City of Cascade Locks, despite that City's limited budget and dwindling tax base, the City Councilors spent significant financial resources to conduct a professionally managed and tightly controlled public survey on the sense of the community about the development of a casino within the city limits. Survey results show that 68% of survey respondents either strongly or somewhat strongly support development of a casino in Cascade Locks.

Is there opposition to this proposal? Yes, of course there is - what significant public works or economic development project doesn't have some level of opposition? Is it overwhelming? No, it is not. Is a majority of the opposition coming from within our County or from within the community of Cascade Locks ? Absolutely not. Opposition to this project is largely coming from outside the community and is being funded and fanned by interests that have direct financial interests in limiting additional gaming in Oregon or, in the name of protecting the environment, oppose even the smallest forms of economic development in the Gorge. Today these groups oppose this proposed

development of the Cascade Locks Industrial Park. A few months ago, this same friends group opposed reopening a historic roadside inn in the Gorge as a bed and breakfast because it, in their minds, was incompatible with the National interest of protecting the Gorge as a national scenic area. Where does it end?

The Columbia River Gorge *is* a national treasure. But not every square inch of the Gorge is suitable to be protected as if it were wilderness – Congress recognized that when it passed the Scenic Act in 1986. The images at the conclusion of this testimony provide for the Committee a perspective on the "scenic quality" of the industrial park where this proposed project will be located, and where in compliance with the National Scenic Act, economic development activities are targeted.

As a local public official, I talk on a frequent basis to the constituents who elect me. I see them in the grocery store, I buy gas from them for my car. I know them, they know me. I believe I am representing their interests and their desires. If they disagree, I hear about it in person, not in a letter or email.

Furthermore, this casino proposal has been debated for a long enough period that numerous local elections have taken place since it was first proposed. In the last Port election, the pro-casino candidate won 79% of the vote. The voters support candidates supportive of the Warm Springs, of a casino in Cascade Locks, and the jobs that it would bring to this depressed community. I submit that local elections are the

ultimate public process. Opponents claim they haven't been heard -- maybe they just aren't voters eligible to vote in our own local elections?

Proposed Federal Legislation

For some time now, we have closely followed the national debate about off-reservation gaming and whether the Indian Gaming Regulatory Act of 1988 needs to be amended at this time. In some instances, we too, have heard of abuses of the current system. In other instances – particularly our own – we can point to how the current system with the checks and balances included in the Section 20 two-part determination has led to a lively public debate, and we hope is leading to the successful resolution of the gaming question now facing our County, our cities, our Governor, the peoples of the Confederated Tribes of the Warm Springs, and the Secretary of the Interior.

Regardless of whether this Committee feels that it is time to amend Section 20 of the Indian Gaming Regulatory Act, or whether the existing rules governing off-reservation gaming are adequate or inadequate, we urge the Committee to include in any final legislative proposal affecting off-reservation gaming, a clause grandfathering certain in-process gaming proposals, much in the way that Section 10 of S.2078 already proposes. We applaud the Chairman for including this provision in his introduced bill since it appears to recognize the substantial investment of time and money that tribes such as the Warm Springs have already expended, and the fairness involved in allowing them to continue to play out the process under the existing rules.

Because of possible confusion however, about what it means to be "under review at the Central office" as of the date of introduction of S.2078, we submit that Section 10 could be further clarified by specifying that on or before November 18, 2005, the Secretary had received a letter from the Indian tribe requesting initiation of a determination, or that the Secretary had received an application from the Indian tribe pursuant to 25 CFR 151 to take land into trust for gaming and that the application remains current and on file in the Central Office of the Bureau of Indian Affairs, or that a binding contract had been entered into between the Tribe and the Governor of the state in which the gaming facility is proposed and that environmental studies on the proposed project have commenced pursuant to 42 USC 4321 et seq.

The proposed Warm Springs gaming facility in Cascade Locks would meet each of the above thresholds, and then some. The proposed project in Cascade Locks would also meet qualitative thresholds associated with being located within the same state where the proposing tribe's reservation is now located. Further, the Warm Springs proposal also seeks to locate the facility on exclusive aboriginal land as well as Treaty ceded territory. These types of qualitative thresholds could only be met by a very few the proposed projects.

By grandfathering only those proposals that were active and pending in the Central office on the date of bill introduction, communities such as ours and the Tribes they have been working with -- communities and Tribes that have toiled for years under the current rules of the game – will be treated fairly and reasonably.

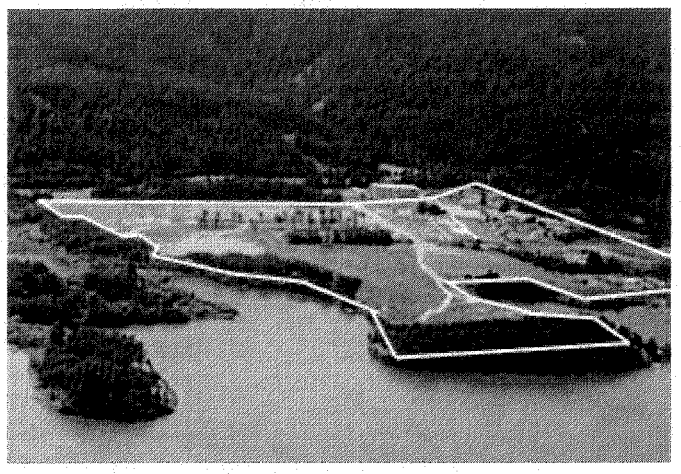
I can attest to the fact that the current off-reservation gaming language in IGRA is anything but easy to comply with or permissive in nature. For years, our community, and the Warm Springs have worked to comply with the rules of game that were in affect when the debate was begun. We have completed major tests and passed major thresholds that exist under the current system. Will we reach our ultimate goal? It is not yet clear, but we want to keep trying and we urge the Committee to not only include Section 10 in any bill that it reports out, but to further clarify Section 10 so that there can be no confusion that pending projects such as the Warm Springs/Cascade Locks/Hood River County proposal will be permitted to continue under the rules that were in place when we began this journey some 8 years ago.

I suggest that our County's experiences to date should be viewed as the "model" for how the process is supposed to work when conducting a thorough investigation and vigorous community debate about off-reservation gaming. Opponents to this proposal argue that they have not had adequate time or opportunity to be heard. Is it the outcome they are objecting to or the process? I submit that it is the outcome. They are not pleased that every unit of local government directly involved has endorsed the project. They are not pleased that the Governor has endorsed the proposed project and signed a Compact to allow it to move forward. And they are not pleased that even nearby local governmental units located across state boundary lines have also endorsed the project.

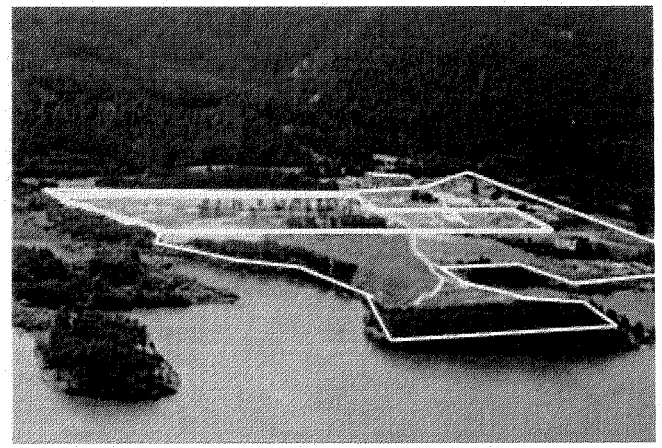
In conclusion, changing the rules of the game now without including a grandfather clause such as a revised Section 10 of S.2078 would be devastating to our County. Amending IGRA to prevent model projects, such as this one, from moving forward to build on ceded aboriginal territory in a community where they are welcomed, would ultimately force the Warm Springs -- for their own economic welfare and viability -- to revisit building a casino on their Trust land in Hood River. Such an outcome would be a tragedy for all parties – the Confederated Tribes of the Warm Springs, the Cities of Cascade Locks and Hood River, Hood River County, the region including Oregon and Washington, and the Columbia River Gorge National Scenic Area.

Thank you for your consideration of these comments. I would be happy to answer any questions that you may have.

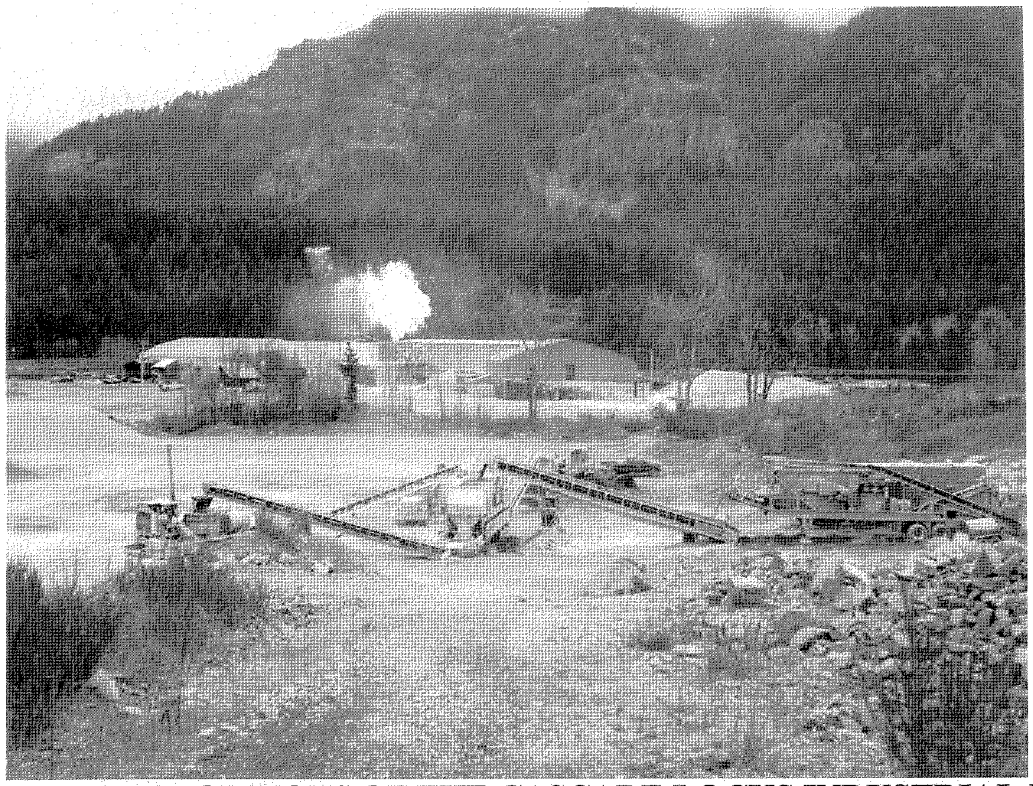
Friends of Gorge continue to present misleading information over casino scale & scope.



As posted on Friends of the Gorge Website
FOG states that this entire 120 acre parcel constitutes the Casino site.



Actual Tribal Resort Highlighted in Yellow
The amount of land taken into trust is only 25 acres. Thirty-five acres within the yellow highlighted area will be leased and remain in public ownership.



SIGNIFICANT PORTIONS OF THE CASCADE LOCKS INDUSTRIAL PARK ACTUALLY LOOK LIKE THIS

LIST OF LOCAL SUPPORTERS

- City of Cascade Locks
- Port of Cascade Locks
- Hood River County
- Hood River Chamber of Commence
- 12 Former Columbia Gorge Commissioners
- Oregon Tourism Commission
- Klickitat County, WA
- Skamania County, WA
- City of North Bonneville, WA
- Skamania County EDC
- Mid-Columbia Economic Development District
- Wasco County

April 29, 2005

The Honorable Gale Norton
Secretary of the Interior
1849 C Street, N.W.
Washington, D.C. 20240

Re: Cascade Locks Gaming Compact between Oregon and Warm Springs Tribes

Dear Secretary Norton:

We are elected officials, representing the families and communities most directly affected by the decisions you will make regarding the agreement signed on April 6th of this year, between the State of Oregon and the Confederated Tribes of the Warm Springs Reservation of Oregon.

We are writing to strongly urge you to approve the Cascade Locks Compact and set the stage for your separate, subsequent important decision: the acceptance of these fee lands in the industrial park within the City of Cascade Locks into trust for purposes of Class III Gaming by the Warm Springs Confederated Tribes

As local and state officials, we have spent considerable time studying the issues relating to this historic Compact. We watched closely as the various elements of the compromise substituting the Cascade Locks site for the Hood River site were forged into a strong and unified document that embodied Oregon values and respected the legal requirement of State and Federal law.

We know that in exchange for this compromise location in Cascade Locks --where the community wants this development to occur--the Tribe gave up the right to build a casino on tribal trust lands eligible for gaming east of Hood River and agreed to perpetually protect those pristine and scenic lands. We encouraged the Governor and the Tribe to agree on this Compact because we are convinced that this Compact will provide for the economic self-sufficiency of tribal members, assure the environmental protection of the Columbia River Gorge and share revenues from the gaming operation for the benefit of all Oregonians.

We recognize that not everyone will agree with us – and we respect those Oregonians who have a principled, opposite point of view. However, some of the opinions you have received from opponents to this Compact are not worthy of your full consideration, particularly when they purposely twist and contort the law and the facts to conveniently conform to their predetermined opposition.

Specifically, we wish to respond to the factual misstatements and misunderstandings of the legal process contained in Congressman David Wu's letter to you of April 28, 2005. We urge you to disregard his arguments and conclusions for the following reasons:

- Congressman Wu is wrong when he states that the Hood River casino site is a "red herring." We know that this original choice for the Warm Springs casino was on Tribal Trust Land, acquired before 1988, land clearly eligible for gaming according to IGRA. We're certain that Congressman Wu must be aware that the Columbia River Gorge National Scenic Act specifically exempts Tribal trust lands. We knew – and he must know -- that the Tribe had acquired an additional 175 acres close to the trust land and was in the process of developing shovel-ready plans to build on this site.
- Congressman Wu is wrong when he states that "all of the communities surrounding Cascade Locks oppose building the gambling casino there." Even a cursory reading of the Recitals (Article II) in the Cascade Locks Compact would provide the Congressman with an inventory of the local jurisdictions that have passed resolutions supporting this Compact. We hope the Congressman will discuss with the signers of this letter why we affirm those decisions and why the list of jurisdictions supporting this Compact is expanding each week to include communities on both sides of the Columbia River.
- Congressman Wu has no evidence to support his assertion that Cascade Locks' urban growth boundary would expand because of this Compact. If Congressman Wu would visit our community, he would see that there are substantial physical constraints on such expansion. More importantly, the compromise location described in this Compact actually follows the guidance of the National Scenic Act by placing development within city boundaries on land appropriately zoned for it. Moreover, the compromise supports the values of compact urban form -- favored by the Oregon Land Use Laws -- by locating this kind of non-smokestack industry on under-utilized Port of Cascade Locks Industrial Park lands, where the community wants this development to occur.
- Congressman Wu completely misunderstands where we are in the approval process. As you know, now is the time for you to review this Compact to determine if the agreement satisfies the requirement of IGRA. Once the Compact is approved or deemed approved, a significant series of environmental analyses will be undertaken by the Bureau of Indian Affairs so that you may determine whether the fee lands should be taken into trust for the purposes of gaming pursuant to Section 20 of IGRA. Of course the Compact, itself, does not take effect unless and until the land is taken into trust. We are impressed that the Warm Springs have committed to high environmental standards for the design and operation of the casino at this location. Furthermore, the Warm Springs have already committed to comprehensive environmental impact studies to satisfy federal requirements. The assertion in Congressman Wu's letter that you need environmental studies in place before you determine the approval of the Compact demonstrates a fundamental misunderstanding of your current approval process.

- Congressman Wu's argument that this Compact violates Oregon's policy of one casino per tribe is simply wrong. This Compact clearly states that the Warm Springs will close the casino at their Kah-Nee-Ta Resort, when the casino at Cascade Locks opens its doors. The irony of Congressman Wu's mistake is rather than violating the policy, this Compact is the first in Oregon in which a tribe expressly acknowledges and agrees to abide by the "one casino policy."

  Furthermore, the facts of this Compact are so unique that Congressman Wu's fear of an "arms race" for urban casino locations is without reasonable factual basis. No other Oregon tribe owns trust land eligible for gaming in the Gorge. No other Oregon tribe has the legal, historic and cultural ties to lands similar to the Warm Springs' ties to Cascade Locks. And while, occasionally, restored tribes in Oregon have sought Congressional action to expand their reservations for the purpose of locating a casino in a favorable place, efforts to gain gubernatorial support for random, off-reservation locations in urban areas have been rejected by Governors Roberts, Kitzhaber and Kulongoski. Congressman Wu knows that the Governor and Portland Mayor Tom Potter have made it crystal clear that no casino will be approved for location in Portland. The "arm's race" is a disingenuous scare tactic, and the quote in Congressman Wu's media release from Sue Shaffer of the Cow Creek Band of the Umpqua Indians , "Cow Creek is staying put," is poignant testimony to the real facts in Oregon.

- Lastly, as local elected officials committed to the highest goals of environmental protection for the families and communities we represent, we resent the fact that Congressman Wu never once visited any of our communities to discuss or debate his concerns. If he would accept our invitation, we would be delighted to explain the many ways in which the Cascade Locks Compact protects and enhances the environment:
  - The Warm Springs are placing a conservation easement on their tribal trust lands near Hood River, so these pristine, scenic lands would be forever preserved undeveloped;
  - The Warm Springs have agreed to convey 175 acres of fee land they own to the State of Oregon, assuring the perpetual protection of these sensitive, scenic lands;
  - The Warm Springs have agreed to design, build and operate their casino to the highest standards of sustainable development, using renewable energy sources, resource conservation technology/systems, natural building materials and LEED [Leadership in Energy and Environmental Design] construction standards -- Article XII of the Compact;
  - The Warm Springs have committed to a traffic management plan which utilizes public transportation options to maximize the use of carpools, buses, rail and water transportation modes – Article XIII of the Compact;
  - The Warm Springs have agreed to a local Community Benefit Fund established, in part, to "preserve, protect and enhance natural and cultural resources within the Columbia River Gorge National Scenic Area: with one Trustee of the Fund's Board a person with a "unique interest in the protection and conservation of the Columbia River Gorge" – Article XVI of the Compact; and

- The Warm Springs have agreed to share revenues from the casino with the people of Oregon and to set aside and expend up to 10% of the shared revenue for the purposes of "preserving, protecting or enhancing natural and cultural resources within the Columbia Gorge National Scenic Area" and other related use (such amounts of revenue could exceed $27 million in the first ten years of casino operations) – Article XV of the compact.

All of these environmental benefits and more would have been obvious to Congressman Wu if he had read the Compact or discussed his concerns with us. We hope he will take time in the future to pay us local officials the respect of reaching out before sounding off.

In any case, Secretary Norton, we hope you will put the contents of Congressman Wu's letter in the context of its many flaws relating to the law, the approval process and the real facts of this Cascade Locks Compact.

We respectfully urge you to evaluate the many benefits so carefully crafted into this Cascade Locks Compact and exercise your authority to approve this Compact – then all of us in Oregon can join you in the next phase of this process, as we evaluate the many environmental impact issues involved in bringing the Cascade Locks Industrial Park land into trust for the purposes of gaming.

Thank you for your consideration.

Sincerely,

Greg Walden
Member of Congress

Ted Ferrioli
Oregon State Senator, Dist. 30

Patti Smith
Oregon State Representative, Dist. 52

Carol York
Hood River County Commissioner

Chuck Thomsen
Hood River County Commissioner

Dan Ericksen
Wasco County Judge

Rick Metsger
Oregon State Senator, Dist. 26

Ben Westlund
Oregon State Senator, Dist. 27

Rodger Schock, Chair
Hood River County Commission

Maui Meyer
Hood River County Commissioner

Les Perkins
Hood River County Commissioner

Scott McKay
Wasco County Commissioner

Sherry Holliday
Wasco County Commissioner

Gary Thompson
Sherman County Judge

Al McKee, Chair
Skamania County Commissioner

John Kirk
Mayor, North Bonneville, WA

Kathy Woosley, President
Port of Cascade Locks Commission

Tim Lee
Port of Cascade Locks Commission

Jean McLean
Port of Cascade Locks Commission

Rob Brostoff
Councilor, Cascade Locks, OR

Amy Lyddon
Council Member, North Bonneville, WA

Kathleen Malone
Hood River, OR School Board Member

Lonnie Roberts
Multnomah County Commissioner

Sherry Kaseberg
Sherman County Commissioner

Ralph Hesgard
Mayor, Cascade Locks, OR

Robb Van Cleave
Mayor, The Dalles, OR

Joeinne Caldwell
Port of Cascade Locks Commission

Scot Sullenger
Port of Cascade Locks Commission

Kerry Osbourn
Councilor, Cascade Locks, OR

Tom Payton
Council Member, North Bonneville, WA

Paul Cummings
City Council, Hood River, OR

(All signature approvals on file in Congressman Walden's office)

File casino

KLICKITAT COUNTY
BOARD OF COUNTY COMMISSIONERS

205 S. COLUMBUS AVENUE, ROOM 103, MS-CH-04, GOLDENDALE WASHINGTON 98620 • FAX 509 773-6779 • VOICE 509 773-4612
DONALD G. STRUCK DISTRICT #1
JOAN FREY, DISTRICT #2
RAY THAYER, DISTRICT #3

October 4, 2005

HOOD RIVER COUNTY
RECEIVED
OCT 5 20
ADMINISTRATOR

Chairman Rodger Schock
Hood River County Board of Commissioners
601 State Street
Hood River, Oregon 97031

RE: Cascade Locks Casino Project

Dear Chairman Schock:

The Klickitat County Board of Commissioners is pleased to provide you with this letter expressing support for the Cascade Locks Casino Project.

This Board understands the crucial need for jobs in the Mid-Columbia region and recognize the potential benefit to the counties on both sides of the Columbia River as a result of this development.

Opportunities of this magnitude do not come along often and we must all pull together in a united show of support for the positive economic benefits that are sure to result from this important project.

If we can be of any further assistance please don't hesitate to contact us at any time.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
Klickitat County, Washington

Donald G. Struck

Donald G. Struck, Chairman

Ray Thayer

Ray Thayer, Commissioner

Joan Frey

Joan Frey, Commissioner

Copied: BOC + DM