

THE CONFEDERATED SALISH AND KOOTENAI TRIBES
OF THE FLATHEAD NATION

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A People of Vision

A Confederation of the Salish,
Pend d' Oreilles
and Kootenai Tribes

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April 26, 2012

Ms. Tracie L. Stevens, Chairwoman
National Indian Gaming Commission
1441 L St. NW, Suite 9100
Washington, DC 20005
VIA EMAIL: reg.review@nigc.gov

Re: RE: Comments on discussion drafts for 25 CFR Part 543 Minimum Internal Control Standards for Class II Games and Part 547 Minimum Technical Standards for Gaming Equipment Used in the Play of Class II Games.

Joint Comments of the Confederated Salish and Kootenai Tribes and the Confederated Salish and Kootenai Tribal Gaming Commission

Dear Chairwoman Stevens:

We comment on behalf of the Confederated Salish and Kootenai Tribes (CSKT) and Tribal Gaming Commission (TGC) on the discussion drafts for 25 CFR Part 543 Minimum Internal Control Standards for Class II Games and Part 547 Minimum Technical Standards for Gaming Equipment Used in the Play of Class II Games.

We would like to commend the National Indian Gaming Commission (NIGC) for adopting a different approach in reaching out to tribes and hope that the government-to-government dialogue will not be disregarded in the end. We appreciate the fact that the NIGC has issued these regulations as discussion drafts prior to publishing them as proposed rules. We recognize that more work needs to be done and broader consultation needs to take place, before the Discussion Draft Minimum Internal Control Standards (MICS) and the Minimum Technical Standards for Gaming Equipment Used in the Play of Class II Games will be ready to be published as proposed rules.

Also, it is our hope that the NIGC will continue to work with tribes and accommodate tribal concerns and comments and any proposed rules produced will be within the purposes and goals of the Indian Gaming Regulatory Act (IGRA) and not intrude on tribal sovereignty or work to overturn judicial decisions.

First of all, we would like to comment broadly and stress the importance for these drafts to be flexible, cost efficient, clarify with modern, clear and concise terminology, eliminate duplication and confusion, facilitate enhanced compliance and ensure effective internal controls.

Secondly, we comment on changes that are of concern in the discussion drafts for 25 CFR Part 543 Minimum Internal Control Standards for Class II Games.

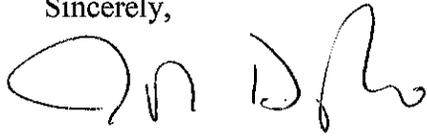
- Inserting guidance into the MICS removes flexibility for Tribal Gaming Regulators and operators to determine what is appropriate for their specific operations.
- The surveillance section is confusing.
- Unnecessary and inappropriate separating of manual and electronic bingo into two separate sections.
- Additionally, we support and concur with the Tribal Gaming Working Group comments, concerns and documents that they have and will submit since we have followed and participated with the group from the beginning.

Finally, a few highlighted comments to Part 547 Minimum Technical Standards for Gaming Equipment Used in the Play of Class II Games.

- The grandfather section provides various concerns in that the draft excludes or attempts to invalidate court decisions that allowed use of certain games. It also looks that it would invalidate previous certifications or grandfathered products or there is nothing to show in the draft for the continued use of any Class II Gaming component that was previously certified against the grandfather provisions or judicial ruling.
- Using new terms not used in the technical standards that provide no value other than create greater confusion.
- Not recognizing Tribal Gaming Commissions or Tribal Regulators as the primary regulators of Class II Gaming.
- Additionally, we support and concur with the Tribal Gaming Working Group comments, concerns and documents that they have and will submit since we have followed and participated with the group from the beginning.

We appreciate the opportunity to provide the above comments on the discussion drafts and look forward to the NIGC continued approach to tribal participation. Also, see attachment for questions posed by the NIGC to tribes.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Durglo". The signature is fluid and cursive, with a large initial "J" and "D".

Joe Durglo
Tribal Chairman

A handwritten signature in black ink, appearing to read "Lissa Peel". The signature is fluid and cursive, with a large initial "L" and "P".

Lissa Peel
Tribal Gaming Commission Chairwoman

Enclosure: Attachment

ATTACHMENT

Questions NIGC asked Tribes regarding the discussion drafts:

1. Do your Tribe/Tribal gaming regulatory body (TGRA)/tribal operation(s) already perform these functions or utilize the standards suggested in these drafts? If so, which sections? If not. Which sections?

Yes we are in compliance with current regulations and TICS and we have concerns with many of the areas of the drafts and have commented in the attached letter. Also we concur with and agree with the Tribal Gaming Working Group comments and documents they have sent or will send since we have participated and followed the workings of the group.

2. Which sections of these drafts are satisfactory to your Tribe/TGRA/tribal operations?

The drafts are a good start, but there are still a lot of work that needs to be done and we concur with and agree with the Tribal Gaming Working Group comments and documents they have sent or will send since we have participated and followed the workings of the group.

3. From your Tribes' perspective, to what section of the drafts do you suggest improvement? Specific language is welcome.

We would ask that the NIGC look to all the TGWG proposed documents submitted and look to those documents to improve the drafts since we concur with have participated and followed the workings of the group.

4. These drafts are intended to be "minimum," at various points deferring to TRGAs to establish controls that meet or exceed the suggested draft standards. Is your Tribes or TGRA prepared to meet these standards?

We will continue to implement effective TICS and SICS appropriate for our needs. Some of the sections in the drafts are not "minimum" and they create unnecessary procedural steps and our TGC and operators need flexibility to define what is appropriate to our specific needs. We concur with and agree with the Tribal Gaming Working Group comments and documents they have sent or will send since we have participated and followed the workings of the group.

5. Will your tribal operations be affected by Part 547 Section 5.a Grandfathered Gaming Systems, and Part 547 Section 5.b Grandfathered Provisions? If so, how and what number of machines would be affected?

With the changes suggested in the draft we believe that all previously grandfathered products could be potentially invalidated and there is confusing to whether compliant Class II gaming systems would become invalidated or require modifications or re-certification, so really unsure of the total affect it could have on our tribal operations. We concur with and agree with the Tribal Gaming Working Group comments and documents they have sent or will send since we have participated and followed the workings of the group.

6. Any other suggestions and comments.

Please look to the TGWG documents, proposals, guidance and other records for which we concur with since we have participated and followed the workings of the group.