



# Saint Regis Mohawk Tribe

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October 13, 2006

Philip N. Hogan  
Chairman  
National Indian Gaming Commission  
1441 L St. NW, Suite 9100  
Washington, DC 20005

Dear Chairman Hogan;

I was honored that the National Indian Gaming Commission extended an invitation to the Saint Regis Mohawk Tribe to provide some insight on how the proposed NIGC Class II definition and classification standards will impact our tribe.

It is our wish that the NIGC give serious consideration to amending the proposed rule changes so we may continue to offer a profitable Class II gaming machine to our patrons. We are also cognizant of the importance of proper regulations so we may offer a safe, fair Class II gaming machine to the patrons of the Saint Regis Mohawk Tribe's Class II gaming enterprise.

Following are the Tribe's responses to your additional questions;

1. How many Class II gaming machines do you have in play?  
*We currently offer 378*

2. How does this count differ from the beginning of this calendar year?  
*As of January 2006 we offered 279 machines for play*

3. In your opinion, under the proposal, what are the primary changes that would need to be made to your existing Class II gaming machines?  
*The size of the bingo card display, the speed of play (configuring the time delay), configuration for first and second ball release and the claim, math adjustment for the requirement that a game-winning prize is no less than 20% of the amount wagered by the player on each card and at least one cent and the bingo game sign requirement.*

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4. Do you currently have any machines that would meet the proposed Class II regulations? If yes, how many?

*No*

Do you currently have any bingo gaming machines that conform to NIGC General Counsel opinions? If yes, how many? How long does it take to play these machines?

*Yes, we have 100 Rocket games and 60 NOVA games, it takes from 3 to 4 seconds to play the Rocket games and 5 seconds to play the NOVA games.*

Do you have any bingo machines in play that generally conform with NIGC General Counsel opinions with the exception that they are one touch games? If yes, how many? How long does it take to play these machines?

*The Rocket and NOVA games mentioned above are both "one touch games"*

5. If enacted, what will be the effect of the regulations on your gaming enterprise? What types of effects?

*It is the opinion of this Council and of our Gaming Commission that all the existing gaming machines will require hardware and software updates to meet the proposed regulations. It is our hope the various machine manufacturer's will bear the expense to modify their games.*

6. If there will be a financial impact, how much of a financial impact will the regulation changes have on you? (e.g., win/machine/day, gaming revenue, non-gaming revenue, profit). How did you measure this impact?

*It is the opinion of this Council, that if enacted, the play of the Class II gaming machines in our facility will slow down. By slowing a game that currently takes 5 seconds to play, to an estimated 10 seconds. At 100% utilization, it will reduce the potential of 17,280 games played per day per machine to 8,640 g.p.d.p.m. Less potential games per day, correlates into less revenue.*

*There is also the risk that people will not want to play a slower game, so there is a good chance the revenue loss will be greater than 50%, as we can safely assume players will not derive greater gambling enjoyment from a slower game.*

*To maintain the current level of revenue generated by the 378 machines, we would have to double the patronage and machine number. Also, we hope manufacturer's would continue to supply games that are only half as profitable as they were pre regulation changes.*

7. Will the proposed regulations affect your supply of Class II gaming devices?  
Will you need to increase/decrease your count? If so, why and how much?  
*I would have to assume that manufacturer's would be less willing to incur the expense of building games compliant with the new regulations when their profits will 1/2 what they currently are. So, we expect our supply of new Class II games to decrease.*
- If we expect to maintain the current level of revenue, we will have to increase our machine count and patronage.  
If we realize a 50% drop in revenue, will have to consider doubling the number of machines and double the patron count to play the new machines.*
8. Do you buy or lease your machines?  
*We lease 100% of our machines*
9. How often do you switch out Class II gaming machines?  
*The last switch of Class II games occurred when Multimedia games were moved out October 2005. The manufacturers are constantly upgrading game software or introducing new game themes.*
10. Generally, what are the costs of acquiring new Class II machines (lease v. purchase)?  
*\$0*
11. Do you have available alternatives to Class II gaming machines?  
*Yes, we also offer paper bingo, pull tabs and poker (all of which are not as profitable as the gaming machines). We also offer our Class III casino (which we must share slot revenue with New York State and cover the State's regulatory expenses).*
12. Are there any market circumstances unique to your tribe/gaming facilities?  
*We currently have a Class II facility employing 117 people 2 miles apart on the same highway from our Class III (with slot machines) facility that employs 572 people.*
- Our Tribe is also located along the Canadian Border, while many patrons do travel across the border to play, any future delays at the US Customs could have a detrimental effect on cross border travel to game in our gaming enterprises. Our proximity to the Canadian border also presents competition, the Casino de Montreal is 1 1/2 hours by car, the Casino du Lac Leamy and Rideau Carleton Racino are both in the Ottawa area just over 1 hours drive.*

13. What economic consequences would your tribe experience if your facility was closed on the theory that it was playing Class III gaming without a tribal state compact?

*The loss of 117 employees and an annualized EBITDA of \$8,900,583 (this is year to date EBITDA of \$5,933,722 as of August, divided by 8 multiplied by 12).*

14. Should Tribes certify the labs? Are you doing that now? What is your process?

*No, we do not believe Tribes should certify the labs, this would affect their impartiality. If we do not agree with their findings, we could threaten to pull their certification? We currently do not certify the lab we utilize for testing our slot machines.*

*Our current process is defined in our Tribal-State compact between the Saint Regis Mohawk Tribe and State of New York, Appendix B, section 48(a) as amended;*

Designation of independent gaming test laboratory. The Commission shall propose to the Board, with supporting documentation, an independent gaming test laboratory which is competent and qualified to conduct scientific tests and evaluation of slot machines and to otherwise perform the functions set forth in this Section. The retention of the independent gaming test laboratory is subject to the consent of the Board, but the Board shall not unreasonably withhold its consent if the independent gaming test laboratory holds a license in good standing with a gaming jurisdiction in the United States. If, at any time, any of the independent gaming test laboratory's licenses are suspended, terminated or subject to disciplinary action, the independent gaming test laboratory shall discontinue its responsibility under this Section and the Commission shall propose a new independent gaming test laboratory as provided herein.

*For the above noted section of our Tribal-State Compact, Board means the New York State Racing & Wagering Board, Commission means the St. Regis Mohawk Tribal Gaming Commission.*

15. How should the certification appeal section be revised?

*By deleting it*

16. Have you done any studies or analysis on the gambling habits of your patrons?  
What was the result? Do your patrons come in with a certain amount of money to spend? Do they quit spending money after they've spent the pre-designated amount? Do they come in with a certain amount of time to spend gambling, or is there some other variable that your operations look at when it markets its games?

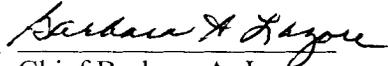
*No*

It is in the best interest of the Saint Regis Mohawk Tribal Council is the answers to questions 1, 2, 4, 6, 8, and 13 remain confidential with the NIGC.

In closing I would like to once again thank the NIGC for this opportunity, and hope that you consider the affect this regulation will have on the members of the Saint Regis Mohawk Tribe.

Respectfully,

**THE ST. REGIS MOHAWK TRIBE**

  
Chief Barbara A. Lazore