United States Department of the Interior

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Honorable Lovelin Poncho
Chairman
Coushatta Tribe of Louisiana
P.O. Box 818
Elton, Louisiana 70532

Dear Chairman Poncho:

We have completed our review of the Tribal-State Compact for the conduct of Class III Gaming between the Coushatta Tribe of Louisiana (Tribe) and the State of Louisiana (State), executed on December 11, 2000. For the following reasons, we are approving the Compact in its entirety, with the exception of Section 12(C). Section 12(C) provides that the "Tribe shall make quarterly financial contributions of six percent (6%) of the Tribe's net revenues from the conduct of Class III gaming to the local governmental authorities of Allen Parish, Louisiana. These contributions shall be used to offset and defray the expenses of those local governmental authorities resulting from the conduct of Class III gaming."

As we indicated in our letter dated December 14, 2000, in order for us to approve such a provision, the amount of payments must be based on either an accounting that establishes the local government's actual costs, or a reasonable estimate of the costs of the programs or services necessitated as a direct result of the Class III gaming activities under the Compact. If costs are estimated, then the extent to which the estimated costs are the result of a bilateral tribal-state negotiation process may be considered.

The Allen Parish Gaming Revenue Distribution Commission (Commission) has submitted a Analysis of Allen Parish Cost Impacts (Report), dated January 17, 2001, as requested in our December 14, 2000 letter. The Report does not include an accounting, but includes an analysis of estimated impact costs. Although the Report provides documentation that meets the requirements of our December 14 letter, the Tribe, by letter dated January 19, 2001, (copy enclosed), has challenged the reliability of the information provided, and has questioned the credibility of the entire section of the Report on cost impacts.

Although we are not in a position to verify the accuracy of the Tribe's allegations in the time we have left to approve or disapprove the Compact under IGRA, it is clear to us that the estimated costs in the Commission's Report are not the result of a bilateral negotiation process.

For these reasons, we believe that the best course of action is to afford the parties the opportunity to mediate this issue in the next 180 days, as provided in Section 2(F) of the Compact. Section 2(F) of the Compact makes it clear that if one provision of the compact violates IGRA, Federal law, or our trust responsibility, and therefore is disapproved, the remainder of the compact shall remain in effect. Therefore, notwithstanding our determination that Section 12(C) is disapproved, the remainder of the Compact remains lawful by its terms upon approval.

We wish the Tribe and the State success in their economic venture.

Sincerely,

James H. McDivitt

James H. McDivitt
Deputy Assistant Secretary - Indian Affairs
(Management)

Enclosures

Similar Letter Sent to: Honorable Mike Foster, Jr.
Governor, State of Louisiana
Baton Rouge, Louisiana 70804

cc: Eastern Region Office w/copy of approved Compact
[redacted]
Louisiana US Attorney w/copy of approved Compact