United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240

Honorable Olney Patt, Jr.
Chairman
Confederated Tribes of the Warm Springs
Reservation of Oregon
1233 Veterans Street
Warm Springs, Oregon 97761

Dear Chairman Patt:

On April 1, 1999, we received Amendment V to the Tribal-State Gaming Compact for Regulation of Class III Gaming between the Confederated Tribes of the Warm Springs Reservation of Oregon (Tribe) and the State of Oregon (State), dated March 29, 1999. We have completed our review of this Amendment and conclude that it does not violate the Indian Gaming Regulatory Act of 1988 (IGRA), Federal law, or our trust responsibility. Therefore, pursuant to Section 11(d)(8)(A) of IGRA, 25 U.S.C. § 2710(d)(8)(A) and delegated authority in 209 DM 8.1, we approve the Amendment. The Amendment shall take effect when the notice of our approval, pursuant to Section 11(d)(3)(B) of IGRA, 25 U.S.C. § 2710(d)(3)(B), is published in the FEDERAL REGISTER.

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

Sincerely,

/s/ Kevin Gover

Assistant Secretary - Indian Affairs

Enclosure

Identical Letter Sent to: Honorable John Kitzhaber
Governor of Oregon
254 State Capitol
Salem, Oregon 97310

cc: Portland Area Director w/copy of approved Amendment
Supt., Warm Springs Agency w/copy of approved Amendment
National Indian Gaming Commission w/copy of approved Amendment
Pacific NW Regional Field Solicitor w/copy of approved Amendment
Portland United States Attorney w/copy of approved Amendment

DEPARTMENT OF THE INTERIOR

Bureau of Indian Affairs

Indian Gaming

AGENCY: Bureau of Indian Affairs, Interior.

ACTION: Notice of amendment to approved Tribal-State Compact.

SUMMARY: Pursuant to Section 11 of the Indian Gaming Regulatory Act of 1988, Public Law 100–497, 25 U.S.C. 2710, the Secretary of the Interior shall publish, in the **Federal Register**, notice of approved Tribal-State Compacts for the purpose of engaging in Class III (casino) gambling on Indian reservations. The Assistant Secretary—Indian Affairs, Department of the Interior, through his delegated authority, has approved Amendment V to the Confederated Tribes of the Warm Springs Reservation of Oregon and the State of Oregon Gaming Compact, which was executed on March 29, 1999.

DATES: This action is effective June 1, 1999.

FOR FURTHER INFORMATION CONTACT: George T. Skibine, Director, Indian Gaming Management Staff, Bureau of Indian Affairs, Washington, D.C. 20240, (202) 219–4066.

Dated: May 14, 1999.

Kevin Gover,

Assistant Secretary—Indian Affairs.

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BILLING CODE 4310–02–P

TRIBAL-STATE COMPACT FOR REGULATION OF CLASS III GAMING BETWEEN THE CONFEDERATED TRIBES OF THE WARM SPRINGS RESERVATION AND THE STATE OF OREGON

AMENDMENT V.

This amendment is made to the Class III Gaming Compact between the Confederated Tribes of the Warm Springs Reservation of Oregon and the State of Oregon executed on January 6, 1995, and approved by the Secretary of the Interior on March 6, 1995. The terms of this amendment are in addition to and, except as specifically provided herein, do not supersede any of the provisions of the original compact, or Amendments I, II, III and IV thereto.

WHEREAS, the Tribes wish to extend the terms of Amendment IV to the Compact which provide for regulation of house banked blackjack at the gaming facility, and

WHEREAS, the State agrees that the circumstances justify this Amendment, and

WHEREAS, the Tribes and the State agree that the State functions of monitoring and oversight of tribal gaming operations will be funded by the tribal gaming industry and wish to amend Section 10 of the Compact with respect to assessment of state costs;

NOW THEREFORE, the Tribes and the State hereby approve the following amendments to the Compact:

I. Section I of Amendment IV is amended as follows:

Paragraph IV of Amendment I expires on ~~March 31, 1999~~ March 31, 2000. Unless an extension of this amendment or a permanent amendment governing the operation of house banked blackjack has been negotiated and executed before the expiration of this amendment, the Tribes agree to terminate blackjack games at the gaming facility until a new agreement has been negotiated and executed. In the event that a compact amendment is under negotiation, the Tribes may replace blackjack tables with video lottery terminals at the ratio of eight terminals per blackjack table.

II. Subsections A, B and C of Section 10 of the Compact are amended as follows:

SECTION 10. STATE ASSESSMENT OF COSTS FOR OVERSIGHT.

~~**A. Imposition of Assessment for State Law Enforcement and Regulatory Expenditures.** The State shall make annually an assessment sufficient to~~

~~compensate the State for the reasonable and necessary costs of regulating gaming operations and conducting state law enforcement investigations pursuant to this Compact. The State shall assess only those costs of fringe benefits for personnel. Fees received with respect to the submission of gaming licenses and contracts pursuant to subsection C of Section 7 of this Compact shall be subtracted from the amount of the assessment.~~

~~B.~~ ~~**Procedure for Assessments.** The procedure for assessments shall be determined and agreed upon annually in a Memorandum of Understanding between the parties to this Compact. Such agreement shall include provisions for adjustments of excess assessments and underpayment of costs.~~

~~C.~~ ~~If the parties fail to agree to the assessments under this section, such dispute shall be resolved pursuant to Section 16 of this Compact.~~

A. Assessment for State Monitoring, Oversight and Law Enforcement Costs

1. The Tribes agree that the Oregon Gaming Tribes have the collective responsibility to pay for the cost of performance by OSP of its activities authorized pursuant to this Compact, including associated overhead. The Tribes agree to pay its fair share of the Oregon State Police costs pursuant to the formula set forth in this Section within 30 days of billing.

2. During the development of its biennium budget, the Oregon State Police shall distribute a draft of the Tribal Gaming section portion of the budget to the Oregon Gaming tribes for their review and comment prior to submission of the budget to either the Governor or the Legislature. The Oregon State Police shall give full consideration to the Oregon Gaming Tribes' comments on the Tribal Gaming Section budget. Notwithstanding the right of the Oregon Gaming tribes to comment on the Tribal Gaming Section budget before it is finalized within the Oregon State Police, each Tribe retains the right to participate in any public review by either the governor or the Legislature on the Oregon State Police budget as well as before the Emergency Board for any increase in the Oregon State Police budget.

3. Because of the government-to-government relationship between the Tribes and the State, the parties recognize that the obligation of the Tribes to pay for the Oregon State Police costs as provided by this Compact is unique. Nothing in this Compact is intended to, nor shall be construed as, creating a responsibility for the Tribes to pay for any other governmental services rendered by or received from the State.

4. The Tribes' monthly payment to the Oregon State Police shall be computed as follows:

a) The biennium budget for the Tribal Gaming Section shall be divided by 24 to determine the total monthly payment that must be made by the Oregon Gaming Tribes to the Oregon State Police for Compact related activities. This payment shall be referred to as the "OSP Monthly Payment."

b) Amounts received by the Oregon State Police from Class III Gaming Contractor license applicants, or any other gaming vendor license applicant, and from the payment for the assignment of Tribal Gaming Section officers to non-tribal gaming duties, shall reduce the OSP Monthly Payment owed by the Oregon Gaming Tribes. The reduction in the OSP Monthly Payment owed by the Oregon Gaming Tribes shall occur in the month the Oregon State Police receives such payments from third party sources.

c) The Tribes' monthly payment to the Oregon State Police shall be computed as follows:

$$\frac{\text{No. of direct Service Hours billed to CTWSR Tribal Gaming Operations}}{\text{Total No. of Direct Service Hours Billed to All Oregon Tribal Gaming Operation.}} \times \text{OSP Monthly Payment} = \text{Tribes Share of OSP Monthly Payment}$$

d) Every six months, or biennium quarter, the Oregon State Police shall reconcile the total payments received from the Oregon Gaming Tribes and third party sources during the six month period. The total of these payments should equal one-fourth of the Oregon State Police/Tribal Gaming Section biennium budget. Any underpayment or overpayment shall adjust the amount owed by the Oregon Gaming Tribes the month following the reconciliation.

5. As used in this section

a) "Oregon Gaming Tribes" means any federally recognized Indian Tribes in Oregon engaged in Class III gaming pursuant to a Tribal-State Compact.

b) "Direct Service Hours" means the actual time spent by Oregon State Police personnel in performing employee background checks, performing background checks on Class III Gaming Contractors or other gaming vendors (unless paid by the Class III Gaming Contractor

or other gaming vendor), performing Compact monitoring functions (including the annual comprehensive compact compliance review), conducting an investigation, and traveling to and from the Gaming facility or the site of a Class III Gaming Contractor background investigation, for a particular Tribal Gaming Operation. This definition is in no way intended to limit OSP's activities authorized pursuant to this Compact. The Oregon State Police shall keep direct service hour billing records setting forth the date work is performed, a brief description of the work performed and the amount of time spent.

6. The methodology for the payment of Oregon State Police costs shall begin on January 1, 1999.

7. For the time period beginning January 1, 1999, this provision supersedes the terms of any and all Memoranda of Understanding entered into between the Tribes and OSP pursuant to Section 10 of the Compact, as they relate to payment of OSP costs.

B. If the Tribes dispute the amount of the assessment under this Section, the Tribes shall timely pay the undisputed amount and within thirty (30) days of billing, shall notify OSP in writing of the specific nature of the dispute. If the parties have not resolved the dispute within 15 days, the Tribes shall pay the disputed amount into an off-reservation escrow, mutually agreeable to the parties, with escrow instructions providing that the funds are to be released only upon authorization by both the Tribes and the Oregon State Police. The parties shall share the reasonable costs of the escrow. The dispute shall then be resolved pursuant to the procedures set forth in section 6B(3) and (4) of this Compact.

If the Tribes fail to timely pay the disputed amount into escrow or timely pay the undisputed amount, the Oregon State Police may suspend any background checks that are in process or withhold authorization for the shipment of equipment, and/or pursue other remedies for Compact violations available under this compact or IGRA.

III. This amendment is effective as an extension under Paragraph IX of Amendment II and Paragraph VI of Amendment I Subsection G of Section 4 of the Compact, upon execution by the State and the Tribes, and submission to the Secretary of the Interior. It is the intent of both the State and the Tribe that this Amendment be fully enforceable as between the parties to it from and after the date it is executed and submitted to the Secretary of the Interior.

EXECUTED as of the date and year below.

STATE OF OREGON

John A. Kitzhaber, M.D., Governor

Date: 3/29/99

CONFEDERATED TRIBES OF THE
WARM SPRINGS RESERVATION OF OREGON

Olney Patt, Jr., Chairman
Warm Springs Tribal Council

Date: 3/25/99

APPROVED BY THE **ASSISTANT SECRETARY - INDIAN AFFAIRS**

By: **KEVIN GOVER**

Date: MAY 14 1999

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