Mr. SOLOMON. Mr. Speaker, I yield myself the same time as the gentleman from Arkansas.

Mr. Speaker, I support H.R. 5221, as amended, to reform the VA's Home Loan Guarantee Program. This program has enabled almost 13 million American veterans to realize the dream of home ownership.

Our mortgage indemnity plan can save the loan guarantee program and return it to a sound financial footing. Also, while I am no fan of the origination fee, if there is going to be a fee, our veterans ought to get something valuable for it.

The increase in the fee would be only one-fourth of 1 percent, and protection from liability in the event of default certainly ought to be worth that. I believe veterans would be willing to pay a reasonable amount for insurance against the unexpected, just as they pay for life, fire, and automobile insurance, because it is prudent to do so.

Mr. Speaker, I wish to commend the chairman and all who took the time to address the concerns raised by the mortgage bankers, realtors, and homebuilders. The members of these associations are an integral part of the large and complex loan guarantee picture, and we ignore their well considered views at our peril.

I commend MARCY KAPTR, and her excellent staff for developing and advancing this legislation from the Housing and Memorial Affairs Subcommittee. I would also thank ANN BURTON, the ranking member of the subcommittee, for his fine work and I commend JERRE, for promptly acting on H.R. 5221. I urge my colleagues to support this measure.

Mr. Speaker, I yield such time as he may consume to the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the former ranking member of the full Committee on Veterans' Affairs.

Mr. HAMMERSCHMIDT. Mr. Speaker, the VA Home Loan Guarantee Program, which has been a great success over the past 44 years, has serious financial difficulties. Our committee is strongly committed to the continuation of the program, and, if it is to continue, it must be changed in fundamental ways.

Mr. Speaker, I am pleased to support H.R. 5221 because I believe it can save the VA Loan Guarantee Program. At the same time, it would provide a major new benefit for veterans—insurance from liability to the VA if the guaranteed loan is foreclosed.

In my view, this indemnity protection for veterans would not cause an increase in foreclosures, as some critics have suggested. Few people, veterans or not, will walk away from their homes, except in extremely distressed circumstances.

Those who do walk away have almost always experienced total personal financial devastation and it is of little use to obtain deficiency judgments against them.

A particularly good feature of the bill would exempt from the indemnity fee veterans rated 30 percent or more for service-connected disabilities, similar to the current exemption for the origination fee.

Mr. Speaker, H.R. 5221 is needed to save the VA Loan Guarantee Program and I urge my colleagues to vote for it.

Mr. MONTGOMERY. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, again I want to thank the gentlewoman from Ohio, Ms. MARCY KAPTR, the gentleman from Indiana, Mr. BURTON, the gentleman from Arkansas, Mr. HAMMERSCHMIDT, and also the gentleman from New York, Mr. SOLOMON, for their support of this legislation.

Mr. Speaker, I would like to remind Members that we have the blue sheets here that further explain this legislation. I think it is great that we can bring a bill to the floor. The Congressional Budget Office agrees, as the gentlewoman from Ohio [Ms. KAPTR] has said, will save millions of dollars by this proposal we have submitted today in the housing program for veterans.

I certainly hope that all Members of the House will support this bill.

Mr. BOLAND. Mr. Speaker, H.R. 5221, the Veterans' Home Loan Mortgage Indemnity Act of 1986, would replace the existing Home Loan Guarantee Program with a new Home Loan Insurance Program.

I am concerned about a provision in this legislation which would establish a permanent indefinite appropriation. Under the proposed new program, the Government would contribute its share of the anticipated future default costs of the loans at the time of origination. Government contribution of 0.75 percent of the mortgage principal would be made to the loan fund for each loan insured. The Government contribution for a loan, however, would be spread over the 3 years with a 0.25 percent paid in each of the first 3 years after origination. The Government contribution for the loan would come from a permanent appropriation not subject to the annual appropriations process.

This proposal is in violation of the Congressional Budget and Impoundment Control Act of 1974 and the rules of the House. Section 401 of the Congressional Budget Act requires that bills providing new spending authority be effective only to the extent or in such amounts as are provided in appropriations acts. This provision was passed so as to provide the Congress with greater control over Government spending.

My concern is that the Congress and the administration continue to lose control of the Federal budget by establishing a new permanent appropriation. The Congress places more pressure on discretionary programs when it addresses the budget deficit situation. When we do that, we provide for veterans medical care, the space program, environmental programs, and housing programs are forced to bear the brunt of any deficit reduction action. Making the provision of the 0.75 percent fee subject to the appropriations process would not change the Home Loan Program. It would, however, give the Congress an opportunity to annually review what the proper dollar amount provided for the Veterans Home Loan Program should be.

Mr. Speaker, as I understand it, this legislation will not be enacted this year. It is my sincere hope that if a similar proposal is introduced next year, that the House Veterans Affairs Committee and the Appropriations Subcommittee on HUD/Independent Agencies can work together on this matter so that the Home Loan Insurance Program for veterans is in accord with the Budget Act and the rules of the House.

Mr. SOLOMON. Mr. Speaker, I have no further requests for time, and I yield the balance of my time.

Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MURTHA). The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 5221, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

INDIAN GAMING REGULATORY ACT

Mr. UDALL. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 555) to regulate gaming on Indian lands.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Indian Gaming Regulatory Act".

FINDINGS

Sec. 2. The Congress finds that—

(1) numerous Indian tribes have become engaged in or have licensed gaming activities on Indian lands as a means of generating tribal governmental revenue;

(2) Federal courts have held that section 2103 of the Revised Statutes (25 U.S.C. 81) requires Secretarial review of management contracts dealing with Indian gaming, but does not provide standards for approval of such contracts;

(3) existing Federal law does not provide clear standards or regulations for the conduct of gaming on Indian lands;

(4) the administration continues to lose control of the Federal budget by establishing a new permanent appropriation, the Congress places more pressure on discretionary programs when it addresses the budget deficit situation. When we do that, we provide for veterans medical care, the space program, environmental programs, and housing programs are forced to bear the brunt of any deficit reduction action. Making the provision of the 0.75 percent fee subject to the appropriations process would not change the Home Loan Program. It would, however, give the Congress an opportunity to annually review what the proper dollar amount provided for the Veterans Home Loan Program should be.

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Mr. MONTGOMERY. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MURTHA). The question is on the motion offered by the gentleman from Mississippi [Mr. MONTGOMERY] that the House suspend the rules and pass the bill, H.R. 5221, as amended.

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A motion to reconsider was laid on the table.
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(4)(A) Except as provided in subparagraph (B), the term of office of the members of the Commission shall be three years.

(B) Of the initial members of the Commission—
(i) two members, including the Chairman, shall have a term of office of three years,
(ii) two members shall have a term of office of one year.

(5) No individual shall be eligible for any appointment to, or to continue service on, the Commission, who—
(A) has been convicted of a felony or gaming offense,
(B) has any financial interest in, or management responsibility for, any gaming activity; or
(C) has a financial interest in, or management responsibility for, any management contract approved pursuant to section 12 of this Act.

(c) Vacancies occurring on the Commission shall be filled in the same manner as the original appointment. A member may serve after the expiration of his term of office until his successor has been appointed, unless the member has been removed for cause under subsection (b)(6).

(d) Two members of the Commission, at least one of which is the Chairman or Vice Chairman, shall constitute a quorum.

(e) The Commission shall select, by majority vote, one of the members of the Commission to serve as Vice Chairman. The Vice Chairman shall serve as Chairman during meetings of the Commission in the absence of the Chairman.

(f) The Commission shall meet at the call of the Chairman or a majority of its members, but shall meet at least once every 4 months.

The Chairman of the Commission shall be paid at a rate equal to that of level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(2) The associate members of the Commission shall each be paid at a rate equal to that of level V of the Executive Schedule under section 5316 of title 5, United States Code.

(3) All members of the Commission shall be reimbursed in accordance with title 5, United States Code, for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

POWERS OF THE CHAIRMAN

Sec. 6. (a) The Chairman, on behalf of the Commission, shall have power, subject to an appeal to the Commission, to—
(1) issue orders of temporary closure of gaming activities as provided in section 14(b);
(2) levy and collect civil fines as provided in section 14(a);
(3) approve tribal ordinances or resolutions regulating class II gaming and class III gaming as provided in sections 11(d)(9) and 12.

(b) The Chairman shall have such other powers as may be delegated by the Commission.
POWERS OF THE COMMISSION
Sec. 7. (a) The Commission shall have the power, not subject to delegation—
(1) to adopt regulations for the assessment and collection of civil fines as provided in section 14(a);
(2) to adopt regulations for the assessment and collection of civil fines as provided in section 14(a);
(3) by an affirmative vote of not less than 3 members, to establish the rate of fees as provided in section 18;
(4) by an affirmative vote of not less than 3 members, to authorize the Chairman to issue subpoenas as provided in section 16; and
(5) by an affirmative vote of not less than 3 members and after full hearing, to make permanent a temporary order of the Chairman closing a gaming activity as provided in section 16(b)(2).
(b) The Commission—
(1) shall monitor class II gaming conducted on Indian lands on a continuing basis;
(2) shall examine all premises located on Indian lands on which class II gaming is conducted;
(3) shall, all costs cause to be conducted such background investigations as may be necessary;
(4) may demand access to and inspect, examine, and audit all books, records, and papers relating to gross revenues of class II gaming conducted on Indian lands and any other matters necessary to carry out the duties of the Commission under this Act;
(5) may use the United States mail in the same manner and under the same conditions as any department or agency of the United States;
(6) may procure supplies, services, and property by contract in accordance with applicable Federal laws and regulations;
(7) may enter into contracts with Federal, State, tribal and private entities for activities necessary to the discharge of the duties of the Commission and, to the extent feasible, contract the enforcement of the Commission's regulations with the Indian tribes;
(8) may hold such hearings, sit and act at such times and take such testimony, and receive such evidence as the Commission deems appropriate;
(9) may administer oaths or affirmations to witnesses appearing before the Commission; and
(10) shall promulgate such regulations and guidelines as it deems necessary to implement the provisions of this Act.
(c) The Commission shall submit a report with minority views, if any, to the Congress on December 31, 1989, and every two years thereafter. The report shall include information on—
(1) whether the associate commissioners should continue as full or part-time officials;
(2) funding, including income and expenses, of the Commission;
(3) recommendations for amendments to the Act; and
(4) any other matter considered appropriate by the Commission.

COMMISSION STAFFING
Sec. 8. (a) The Chairman shall appoint a General Counsel to the Commission who shall be paid at the rate of basic pay payable for GS-18 of the General Schedule under section 5332 of title 5, United States Code.
(b) The Chairman shall appoint and supervise other staff of the Commission without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. Such staff shall be paid without regard to the provisions of chapter 41 of title 5, United States Code, and chapter 53 of title 5 relating to classification and General Schedule pay rates, except that any employee so appointed may receive pay in excess of the annual rate of basic pay payable for GS-18 of the General Schedule under section 5332 of title 5.
(c) The Chairman may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, but at rates for individuals not to exceed the daily or hourly equivalent of the maximum annual rate of basic pay payable for GS-18 of the General Schedule.
(d) Upon the request of the Chairman, the head of any Federal agency is authorized to detail any of the personnel of such agency to the Commission to assist the Commission in carrying out its duties under this Act, unless otherwise prohibited by law.
(e) The Secretary of the Interior shall provide to the Commission on a reimbursable basis such administrative support services as the Commission may request.

COMMISSION—ACCESS TO INFORMATION
Sec. 9. The Commission may secure from any department or agency of the United States information necessary to enable it to carry out this Act. Upon the request of the Chairman, the head of such department or agency shall furnish such information to the Commission, unless otherwise prohibited by law.

INTERIM AUTHORITY TO REGULATE GAMING
Sec. 10. Notwithstanding any other provision of this Act, the Secretary shall continue to exercise those authorities vested in the Secretary on the date before the date of enactment of this Act relating to supervision of Indian gaming until such time as the Commission is organized and prescribed regulations. The Secretary shall provide staff and assistance necessary to facilitate an orderly transition to regulation of Indian gaming by the Commission.

TRIBAL GAMING ORDINANCES
Sec. 11. (a)(1) Class I gaming on Indian lands is with jurisdiction of the Indian tribes and shall not be subject to the provisions of this Act.
(2) Any class I gaming on Indian lands shall continue to be within the jurisdiction of the Indian tribes, but shall be subject to the provisions of this Act.
(b)(1) An Indian tribe may engage in, or license and regulate, class II gaming on Indian lands within such tribe’s jurisdiction.
(2)(A) such Indian gaming is located within a State that permits such gambling for any purpose by any person, organization or entity (and such gaming is not otherwise specifically prohibited on Indian lands by Federal law), and
(B) the governing body of the Indian tribe adopts an ordinance or resolution which is approved by the Chairman.
A separate license issued by the Indian tribe shall be required for each place, facility, or location on Indian lands at which class II gaming is conducted.
(2) The Chairman shall approve any tribal ordinance or resolution concerning the conduct, or regulation of class II gaming on the Indian lands within the tribe’s jurisdiction if such ordinance or resolution provides that—
(A) except as provided in paragraph (4), the Indian tribe will have the sole proprietary interest and responsibility for the conduct of any gaming activity;
(B) net revenues from any tribal gaming activities shall be used for purposes other than—
(i) to fund tribal government operations or programs;
(ii) to provide for the general welfare of the Indian tribe and its members;
(iii) to promote tribal economic development;
(iv) to donate to charitable organizations; or
(v) to help fund operations of local government agencies; and
(C) annual outside audits of the gaming, which may be encompassed within existing independent tribal audit systems, will be provided by the Indian tribe to the Commission;
(D) all contracts for supplies, services, or concessions for a contract amount in excess of $25,000 annually (except contracts for professional legal or accounting services) relating to such gaming shall be subject to independent audits;
(E) the construction and maintenance of the gaming facility, and the operation of the gaming is conducted in a manner which adequately protects the employees and the public health and safety; and
(F) there is an adequate system which—
(i) ensures that background investigations are conducted on the primary management officials and key employees of the gaming enterprise and that oversight of such officials and their management is conducted on an ongoing basis; and
(ii) includes—
(I) tribal licenses for primary management officials and key employees of the gaming enterprise with prompt notification to the Commission of the issuance of such licenses;
(II) a standard whereby any person whose prior activities, criminal record, if any, or reputation, habits and associations pose a threat to the public interest or to the effective regulation of gaming, or create or enhance the dangers of unsuitable, unfair, or otherwise unsuitable persons and methods and activities in the conduct of gaming shall not be eligible for employment; and
(III) notification to the Indian tribe to the Commission of the results of such background check before the issuance of any of such licenses.
Net revenues from any class II gaming activities conducted or licensed by any Indian tribe may be used to make per capita payments to members of the Indian tribe only if—
(A) the Indian tribe has prepared a plan to allocate revenues to uses authorized by paragraph (2)(B); and
(B) the plan is approved by the Secretary as adequate, particularly with respect to uses described in clause (i) or (ii) of paragraph (2)(B);
(C) the interests of minors and other legally incompetent persons who are entitled to receive any of the per capita payments are protected and preserved and the per capita payments are disbursed to the appropriate legal guardian of such minors or legal incapacitated persons or other as may be necessary for the health, education, or welfare, of the minor or other legally incompetent persons; and
(D) the per capita payments are subject to Federal taxation and tribes notify members of such tax liability when payments are made.
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(4)(A) A tribal ordinance or resolution may provide for the licensing or regulation of class II gaming activities owned by any person or entity other than the Indian tribe and conducted on Indian lands, only if the licensing or regulation: (1) Is based on the continued operation of an individually owned class II gaming operation that was operating on September 1, 1988; (2) Is included in the income of the Indian tribe from such gaming; (3) Does not result in any increase in the income of the Indian tribe attributable to such gaming operation; and (4) Does not exceed the aggregate gross revenue from such gaming activity.

(2)(A) The requirements for the licensing or regulation of class II gaming activities include the requirements described in the subclauses of subparagraph (B)(i) and are at least as protective as the requirements established by State law governing similar gaming within the jurisdiction of the State with which such Indian lands are located. No person or entity, other than the Indian tribe, shall be eligible to receive a tribal license to own a class II gaming activity conducted on Indian lands within the jurisdiction of the Indian tribe if such person or entity would not be eligible to receive a State license to conduct the same activity within the jurisdiction of the State.

(B)(i) The provisions of subparagraph (A) of this paragraph and the provisions of subparagraphs (A) and (B) of paragraph (2) shall not bar the continued operation of an individual class II gaming operation that was operating on September 1, 1988, if—

(i) Such gaming operation is licensed and regulated by an Indian tribe pursuant to an ordinance reviewed and approved by the Commission in accordance with section 19 of this Act; (ii) Income to the Indian tribe from such gaming is used only for the purposes described in paragraph (2)(B) of this subsection (including the income derived from the gaming of any person or entity operating a class III gaming activity pursuant to this paragraph on the date on which an ordinance or resolution described in clause (i) that revokes authorization for such class III gaming activity is published in the Federal Register); and (iii) Such gaming operation pays an appropriate assessment to the National Indian Gaming Commission under section 19(a)(2) of this Act.

(ii) The exemption from the application of this subsection provided under subparagraph (B)(i) may be transferred to any person or entity, and shall remain in effect only so long as the gaming activity remains within the same nature and scope as operated on the date of enactment of this Act.

(iii) Within sixty days of the date of enactment of this Act, the Secretary shall prepare a list of individually owned gaming operations which clause (i) applies and shall publish such list in the Federal Register.

(c)(1) The Commission may consult with appropriate law enforcement officials concerning gaming licenses issued by an Indian tribe and shall have thirty days to notify the Indian tribe of any objections to issuance of such license.

(2) If, after the issuance of a gaming license by an Indian tribe, reliable information is received from the Commission indicating that a primary management official or key employee does not meet the standard established in this subsection, the Indian tribe may suspend such license and, after notice and hearing, may revoke such license.

(3) Any Indian tribe which operates a Class II gaming activity and which—

(A) Has continuously conducted such activity for a period of not less than three years, including at least one year after the date of the enactment of this Act; and (B) Has otherwise complied with the provisions of this section, may make a request to the Commission for a certificate of self-regulation.

(4) The Commission shall issue a certificate of self-regulation if it determines from available information, and after a hearing if requested by the tribe, that the tribe has—

(A) Conducted its gaming activity in a manner which—

(i) Has resulted in an effective and honest accounting of all revenues; (ii) Has resulted in a reputation for safe, fair, and honest operation of the activity; and (iii) Has been generally free of evidence of criminal or dishonest activity; (B) Adopted and is implementing adequate systems for—

(i) Accounting for all revenues from the activity; (ii) Investigation, licensing, and monitoring of all employees of the gaming activity; and (iii) Investigation, enforcement and prosecution of violations of its gaming ordinance and regulations; and (C) Conducted the operation on a fiscally sound basis.

(5) During any year in which a tribe has a certificate for self-regulation—

(A) The tribe shall be subject to the provisions of paragraphs 1, 2, 3, and 4 of section 7(b); (B) The tribe shall continue to submit an annual independent audit as required by section 11(b)(2)(C) and shall submit to the Commission a complete résumé on all employees hired and licensed by the tribe as a result of such self-regulation; and (C) The Commission may not assess a fee on such activity pursuant to section 18 in excess of one quarter of 1 per cent of the gross revenue.

(6) The Commission may, for just cause, and after notice and opportunity for a hearing, remove a certificate of self-regulation by majority vote of its members.

(d)(1) Class III gaming activities shall be lawful on Indian lands only if such activities are—

(A) Authorized by an ordinance or resolution that—

(i) Is adopted by the governing body of the Indian tribe having jurisdiction over such lands; (ii) Meets the requirements of subsection (b); and (iii) Is approved by the Chairman; (B) Located on a State that permits such gaming for any purpose by any person, organization, or entity, and (C) Conducted in conformance with a Tribal-State compact entered into by the Indian tribe and the State under paragraph (3) that is in effect.

(2)(A) If any Indian tribe proposes to engage in, or to authorize any person or entity to engage in, a class III gaming activity on Indian lands of the Indian tribe, the class III gaming activity shall be subject to the requirements of this paragraph.

(B) The Chairman shall approve any ordinance or resolution described in subparagraph (A), unless the Chairman specifically determines that—

(i) The ordinance or resolution was not adopted in compliance with the governing documents of the Indian tribe, or (ii) the governing body was significantly unduly influenced in the adoption of such ordinance or resolution by any person identified in 25171.

Upon approval of such an ordinance or resolution, the Chairman shall publish in the Federal Register such ordinance or resolution and the order of approval.

(e) Effective with the publication under subparagraph (b) of an ordinance or resolution adopted by the governing body of an Indian tribe that has been approved by the Chairman under subparagraph (b), class III gaming activity on the Indian lands of the Indian tribe shall be fully subject to the terms and conditions of the Tribal-State compact entered into by the Indian tribe that is in effect.

(ii) The governing body of an Indian tribe that is under approval of an ordinance or resolution shall not grant, grant approval of, or enter into agreements for class III gaming activity on the Indian lands of the Indian tribe. Such revocation shall render class III gaming illegal on the Indian lands of such Indian tribe.

(iii) The Indian tribe shall submit any revocation ordinance or resolution described in clause (i) to the Chairman. The Chairman shall publish such ordinance or resolution in the Federal Register and the revocation provided by such ordinance or resolution shall take effect on the date of such publication.

(iv) Notwithstanding any other provision of this subsection—

(A) Any person or entity operating a class III gaming activity pursuant to this paragraph on the date on which an ordinance or resolution described in clause (i) that revokes authorization for such class III gaming activity is published in the Federal Register may, during the 1-year period beginning on the date on which such revocation ordinance or resolution is published under clause (ii), continue to operate such activity in conformance with the Tribal-State compact entered into under paragraph (3) that is in effect, and (B) Any State and any Indian tribe may enter into a Tribal-State compact governing gaming activities on the Indian lands of the Indian tribe, but such compact shall take effect only when notice of approval by the Secretary of such compact has been published by the Secretary in the Federal Register.

(C) Any Tribal-State compact negotiated under subparagraph (A) may include provisions relating to—

(i) The application of the criminal and civil laws and regulations of the Indian tribe or the State that are directly related to, and necessary to carry out the licensing and regulation of such activity; (ii) The allocation of criminal and civil jurisdiction between the State and the Indian tribe, as necessary to carry out the licensing and regulation of such activity; and (iv) Taxation by the Indian tribe of such activity in amounts comparable to amounts
assessed by the State for comparable activities;
(v) remedies for breach of contract;
(vi) standards for the operation of such activity and maintenance of the gaming facility, including licensing; and
(vii) such other aspects that are directly related to the operation of gaming activities.
(4) Except for any assessments that may be authorized under paragraph (3)(c), any provision of subparagraph (A)(ii) of this subsection, nothing in this section shall be interpreted as conferring upon a State or any of its political subdivisions authority to impose, by ordinance, statute, or other assessment upon an Indian tribe or upon any other person or entity authorized by an Indian tribe to engage in a class III activity. No State may refuse to enter into the negotiations described in paragraph (3)(A) based upon the lack of authority in such State, or its political subdivisions, to impose such a tax, fee, charge, or other assessment.
(5) Nothing in this subsection shall impair the right of an Indian tribe to regulate class III gaming activities on Indian lands concurrently with the State, except to the extent that such regulation is inconsistent with, or less stringent than, State laws and regulations made applicable by any Tribal-State compact entered into by the Indian tribe under paragraph (3) that is in effect at the time of entry of such compact, except that a Tribal-State compact that—
(A) is entered into under paragraph (3) by a State in which gambling devices are legal, and
(B) is in effect,
(7)(A) The United States district courts shall have jurisdiction over—
(i) any cause of action initiated by an Indian tribe arising from the failure of a State to enter into negotiations with the Indian tribe for the purpose of entering into a Tribal-State compact under paragraph (3) or to conduct such negotiations in good faith,
(ii) any cause of action initiated by a State or Indian tribe to enjoin a class III gaming activity located on Indian lands and conducted in violation of any Tribal-State compact entered into under paragraph (3), and
(iii) any cause of action initiated by the Secretary of the Interior to enforce the provisions described in subparagraph (B)(vii).
(B)(i) An Indian tribe may initiate a cause of action described in subparagraph (A)(i) only after the close of the 180-day period beginning on the date on which the Indian tribe requested the State to enter into negotiations under paragraph (3).
(ii) In any action described in subparagraph (A)(i), upon the introduction of evidence by an Indian tribe that—
(I) the Tribal-State compact has not been entered into under paragraph (3), and
(II) the State did not respond to the request of the Indian tribe to negotiate such a compact or did not respond to such request in good faith,
the burden of proof shall be upon the State to prove that the State has negotiated with the Indian tribe in good faith to conclude a Tribal-State compact governing the conduct of gaming activities.
(iii) If any action described in subparagraph (A)(i), the court finds that the State has failed to negotiate in good faith with the Indian tribe to conclude a Tribal-State compact governing the conduct of gaming activities, the court shall order the State and the Indian Tribe to conclude such a compact within a 60-day period. In determining in such an action whether a State has negotiated in good faith—
(I) may take into account the public interest, public safety, criminality, financial integrity, and adverse economic impacts on Indian gaming facilities, and
(II) shall consider any demand by the State for direct taxation of the Indian tribe. (v) if the State has not negotiated with the Indian tribes subject to the jurisdiction of such Indian tribe within the 60-day period provided in the order of a court issued under clause (iii), the Indian tribe and the State shall each submit to a mediator appointed by the court a proposed compact that represents their last best offer for a compact. The mediator shall select from the two proposed compacts the one which best comports with the terms of this Act and any other applicable Federal law and with the findings and order of the court.
(v) The mediator appointed by the court shall, as promptly as practicable, mediate the dispute and select the compact that will be proposed. The compact selected by the mediator shall be subject to the approval of the Indian tribe and the State. The compact shall be treated as a Tribal-State compact entered into under paragraph (3).
(vi) If the court does not consent during the 60-day period described in clause (vi) to a proposed compact submitted by a mediator under clause (iv), the Secretary of the Interior shall prescribe, in consultation with the Indian tribe, procedures—
(I) which are consistent with the proposed compact selected by the mediator under clause (iv), the provisions of this Act, and the relevant provisions of the laws of the State, and
(II) under which class III gaming may be conducted on the Indian lands over which the Indian tribe has jurisdiction.
(B)(vii) A noncommercial Tribal-State compact entered into between an Indian tribe and a State governing gaming on Indian lands of such Indian tribe.
(B) The Secretary may disapprove a compact described in subparagraph (A) only if such compact violates—
(i) any provision of this Act,
(ii) any other provision of Federal law that does not relate to jurisdiction over gaming on Indian lands, or
(iii) the trust obligations of the United States to Indians.
(C) If the Secretary does not approve or disapprove a compact described in subparagraph (A) before the date that is 45 days after the date on which the compact is submitted to the Secretary for approval, the compact shall be considered to have been approved by the Secretary, but only to the extent that such approval is consistent with the provisions of this Act.
(D) The Secretary shall publish in the Federal Register notice of any Tribal-State compact that is approved, or considered to have been approved, under this paragraph.
(E) An Indian tribe may enter into a management agreement with the operator of a class III gaming activity if such contract has been submitted to, and approved by, the Chairman. The Chairman's review and approval of such contract shall be governed by the provisions of subsections (b), (c), (d), (f), (g), (h), and (i).
(F) For purposes of this section, by not later than the date that is 90 days after the date on which any tribal gaming ordinance or resolution is submitted to the Chairman, the Chairman shall approve such ordinance or resolution if it meets the requirements of paragraphs (a) through (d). The ordinance or resolution not acted upon at the end of that 90-day period shall be considered to have been approved by the Chairman, but only to the extent that such approval is consistent with the provisions of this Act.
MANAGEMENT CONTRACTS
SEC. 12. (a)(1) Subject to the approval of the Chairman, an Indian tribe may enter into a management contract for the operation and management of a class II gaming activity that the Indian tribe may engage in under section 11(b)(1), but, before approving such contract, the Chairman shall require and obtain the following information:
(A) the name, address, and other additional pertinent background information on the individual or entity (or group of such individuals comprising such entity) having a direct financial interest, or management responsibilities in the operation of a casino, if the entity is a public corporation, any person listed pursuant to subparagraph (A).
(B) A description of any previous experience of such person or entity in gaming or in management contracts.
(2) Any person listed pursuant to paragraph (1)(A) shall be required to respond to such written or oral questions that the Chairman may propound in accordance with his responsibilities under this section.
(3) For purposes of this section, any reference to the management contract described in paragraph (1) shall be considered to include all agreements contained in any contract that relate to the gaming activity.
(b) The Chairman may approve any management contract entered into pursuant to this section only if he determines that it provides at least—
(1) for adequate accounting procedures that are maintained, and for verifiable financial reports that are prepared, by or for the tribal governing body on a monthly basis;
(2) for access to the daily operations of the gaming to appropriate tribal officials who shall also have a right to verify the daily gross revenues and income made from any such tribal gaming activity;
(3) for a minimum guaranteed payment to the Indian tribe that has preference over the costs of development and construction costs;
(4) for an agreed ceiling for the repayment of development and construction costs;
(5) for a contract term not to exceed five years, except that, upon the request of an Indian tribe, the Chairman may authorize a contract term that exceeds five years but does not exceed seven years if the Chairman is satisfied that the capital investment re-
required, and the income projections, for the particular gaming activity require the additional time; and

(6) for grounds and mechanisms for terminating a management contract, but actual termination shall not require the approval of the Commission.

(c)(1) The Chairman may approve a management contract providing for a fee based upon a percentage of the net revenues of a tribal gaming activity if the Chairman determines that such percentage fee is reasonable in light of surrounding circumstances. Except as otherwise provided in this subsection, such fee shall not exceed 30 percent of the net revenues.

(2) Upon the request of an Indian tribe, the Chairman may approve a management contract providing for a fee based upon a percentage of the net revenues of a tribal gaming activity that exceeds 30 percent but not 40 percent of the net revenues if the Chairman is satisfied that the capital investment required, and income projections, for such tribal gaming activity require the additional time; and the fee shall not exceed 30 percent of the net revenues.

(d) By no later than the date that is 180 days after the date on which a management contract is submitted to the Chairman for approval or disapproval, the Chairman shall approve or disapprove such contract on its merits. The Chairman may extend the 180-day period by not more than 90 days if the Chairman notifies the Indian tribe in writing of the reason for the extension. The Indian tribe may bring an action in a United States district court to compel the Chairman to act if the Chairman fails to act within 180 days after the date that is 180 days after the date on which a management contract is submitted to the Chairman for approval or disapproval, if the Indian tribe has not been approved or disapproved within the period required by this subsection.

(e) The Chairman shall not approve any contract if the Chairman determines that—

(1) (A) an election pursuant to subsection (a)(1)(A) of this section—

(A) is an elected member of the governing body of the Indian tribe which is the party to the management contract;

(B) has been or subsequently is convicted of any felony or gaming offense;

(C) has knowingly and negligently provided material or significant false statements or information to the Commission or the Indian tribe pursuant to this Act or has refused to respond to the Commission or the Indian tribe, or to any administrative proceeding, on a question or issue under investigation, if any reputation, habits, and associations pose a threat to the public interest or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitability, unfair, or illegal practices, methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental thereto;

(2) the management contractor has, or has attempted to, unilaterally interfere or influence in any way its gain or advantage any decision or process of tribal government relating to the gaming activity;

(3) the management contractor has delinently or substantially failed to comply with the terms of the management contract, or the tribal gaming ordinance or resolution adopted and approved pursuant to this Act; or

(4) a trustee, exercising the skill and diligence that a reasonable person would, would not approve the contract.

(f) The Chairman, after notice and hearing, shall have the authority to require approval of any modifications or may void any contract if he subsequently determines that any of the provisions of this section have been violated.

(g) No management contract for the operation and management of a gaming activity regulated by this Act shall transfer or, in any other manner, convey any interest in the operation or ownership of any particular gaming activity to any person that is not a United States citizen.

(h) The Secretary of the Interior shall not refer to the Secretary of the Interior or any other Federal statute or regulation, including any collateral agreements relating to the gaming activity, any request for a tribal gaming activity review within sixty days of such notification. Any activity conducted under such ordinance, resolution, contract, or agreement shall be valid under this Act, or any amendment made by this Act, unless disapproved under this section.

(b)(1) By not later than the date that is 90 days after the date on which an ordinance or resolution authorizing class II gaming or class III gaming is submitted to the Chairman pursuant to subsection (a)(1), the Chairman shall request or resolution to determine if it conforms to the requirements of sections 11(b) of this Act.

(b)(2) If the Chairman determines that an ordinance or resolution submitted pursuant to subsection (a) conforms to the requirements or section 11(b), the Chairman shall approve it.

(c)(1) The Chairman determines that an ordinance or resolution submitted under subsection (a) does not conform to the requirements of the Chairman, the Chairman shall request or resolution to determine if it conforms to the requirements of sections 11(b) of this Act.

(c)(2) If the Chairman determines that an ordinance or resolution submitted under subsection (a) does not conform to the requirements of the Chairman, the Chairman shall request or resolution to determine if it conforms to the requirements of sections 11(b) of this Act.

(c)(3) If the Chairman determines that an ordinance or resolution submitted under subsection (a) does not conform to the requirements of the Chairman, the Chairman shall request or resolution to determine if it conforms to the requirements of sections 11(b) of this Act.

(d) Within 180 days after the submission of a management contract, including all collateral agreements, pursuant to subsection (a), the Chairman shall request such contract to the requirements and process of section 12.

(e)(1) If the Chairman determines that a management contract submitted under subsection (a), or the management contractor under such contract, meet the requirements of section 12, the Chairman shall approve the management contract.

(e)(2) If the Chairman determines that a contract submitted under subsection (a), or the management contractor under a contract submitted under subsection (a), does not meet the requirements of section 12, the Chairman shall provide written notification of the parts to such contract of necessary modifications, and the parts shall have not more than 120 days to come into compliance. If a management contract has been approved by the Secretary prior to the date of enactment, the parts shall have not more than 180 days after notification of necessary modifications to come into compliance.

Judicial review

Sec. 12. (a) If any contract or approved management contract is approved by the Secretary prior to the date of enactment, the parts shall have not more than 120 days to come into compliance. If a management contract has been approved by the Secretary prior to the date of enactment, the parts shall have not more than 180 days after notification of necessary modifications to come into compliance.
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production of all books, papers, and docu-
ments upon which any law, regulation or
ere or investigation. Witnesses so sum-
monged shall be paid the same fees and mile-
age that are paid witnesses in the courts of the

(b) The attendance of witnesses and the
production of books, papers, and documents, may
be required of any person in the United States at any designated place of
hearing. The Commission may request the
Secretary of the Senate or the Attorney
General to bring an action to enforce any subpoena
under this section.

(c) Any court of the United States within
the judicial district in which it is located may, in case of contumacy or refusal
to obey a subpoena for any reason, issue an
order requiring such person to appear before the Commission (and produce books,
papers, or documents as so ordered) and
give evidence concerning the matter in ques-
tion and any failure to obey such order of
the court may be punished by such court as
a contempt thereof.

(d) A Commission or any order testimony to
be taken by deposition in any proceeding
or investigation pending before the Commis-
sion at any stage of such proceeding or in-
vestigation may be taken by deposition
before any person designated by the Com-
mision and having power to administer
oaths. Any person so designated must first be
given the Commission in writing by the party
or his attorney proposing to take such depo-
sition, and, in no event, in which a Commissioner
proposes to take a deposition, reasonable
notice must be given. The notice shall state
the name of the witness and the time and
place of the taking of such deposition. Any
person may be compelled to appear and
depose, and to produce books, papers, or
documents, in the same manner as a witness
may be compelled to appear and testify and
produce like documentary evidence before the
Commission, as hereinbefore provided.

(e) Every person deposing as herein pro-
vided shall be cautioned and shall be re-
quired to swear (or affirm, if he so requests)
to the best of his knowledge, truth, and
honesty, and shall be carefully examined. His testimony shall be
reduced to writing by the party taking the
deposition, in the same direction, and shall,
after it has been reduced to writing, be sub-
scribed by the deponent. All depositions
shall be promptly filed with the Commis-
sion.

(f) Witnesses whose depositions are taken
as authorized in this section, and the
persons taking the same, shall severally be enti-
tied to the same fees as are paid for like
services in the courts of the United States.

INVESTIGATIVE POWERS

Sec. 17. (a) Except as provided in subsec-
(b), the Commission shall preserve any
and all information received pursuant to
this Act as confidential pursuant to the
provisions of paragraphs (4) and (7) of section
552(b) of title 5, United States Code.

(b) The Commission shall, when such infor-
mation indicates a violation of Federal,
State, or local laws, statutes, ordinances, or reso-
lutions, provide such information to the ap-
propriate law enforcement officials.

(c) The Attorney General shall investigate
activities associated with gaming authorized
by this Act which may be a violation of Fed-
eral law.

COMMISSION FUNDING

Sec. 18. (a)(1) The Commission shall estab-
lish a schedule of fees to be paid to the
Commission annually by each class II

gaming activity that is regulated by this
Act.

(2)(A) The rate of the fees imposed under
the schedule established under paragraph
(1) shall be—

(i) no less than 0.5 percent nor more than
2.5 percent of the first $1,500,000, and

(ii) no more than 5 percent of amounts in
excess of the first $1,500,000,

of the gross revenues from each activity reg-
ulated by this Act.

(B) The total amount of all fees imposed
during any fiscal year under the schedule established under paragraph (1) shall not exceed

$300,000.

(3) The Commission, by a vote of not less
than three of its members, shall annually
adopt the rate of the fees authorized by this
section which shall be payable to the Com-
mision on a quarterly basis.

(4) Failure to pay the fees imposed under
the schedule established under paragraph
(1) shall, subject to the regulations of
the Commission, be grounds for revocation of
the approval of the Chairman of any li-
cense, and upon such revocation required
under this Act for the operation of gaming.

(5) To the extent that revenue derived from fees imposed under paragraph
(1) are expended or committed at the close of any fiscal
year, such surplus funds shall be credited to each gaming
reserve or fund, and applied against such fees imposed for the succeed-
ing year.

(6) For purposes of this section, gross rev-

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of enactment of this Act unless such other provision of law specifically cites this subsection.

**DISSEMINATION OF INFORMATION**

Sec. 21. Consistent with the requirements of this Act, sections 1301, 1302, 1303 and 1304 of title 18, United States Code, shall not apply to any gaming conducted by an Indian tribe pursuant to this Act.

**SEVERABILITY**

Sec. 22. In the event that any section or provision of this Act, or amendment made by this Act, is held invalid, it is the intent of Congress that the remaining sections, provisions of this Act, and amendments by this Act, shall continue in full force and effect.

**CRIMINAL PENALTIES**

Sec. 23. Chapter 53 of title 18, United States Code, is amended by adding at the end thereof the following new sections:

"81166. Gambling in Indian country"

(1) Subject to subsection (c), for purposes of Federal law, all laws pertaining to the licensing, regulation, or prohibition of gambling, including but not limited to criminal offenses applicable thereto, shall apply in Indian country in the same manner and to the same extent as such laws apply elsewhere in the State.

(2) Whoever in Indian country is guilty of any act or omission involving gambling, whether or not conducted or sanctioned by an Indian tribe, which, although not made punishable by any enactment of Congress, would be punishable if committed or omitted within the jurisdiction of the State in which the act or omission occurred, under the laws governing the licensing, regulation, or prohibition of gambling in force at the time of such act or omission, shall be guilty of a like offense and subject to a like punishment.

(3) For the purpose of this section, the term ‘gambling’ does not include:

(a) class I gaming or class II gaming regulated by the Indian Gaming Regulatory Act;

(b) class III gaming conducted under a tribal-State compact approved by the Secretary of the Interior under section 11(d)(8) of the Indian Gaming Regulatory Act that is in effect;

(c) The United States shall have exclusive criminal jurisdiction over violations of State gambling laws that are made applicable under this section to Indian country, unless an Indian tribe pursuant to a Tribal-State compact approved by the Secretary of the Interior under section 11(d)(8) of the Indian Gaming Regulatory Act, or under any other provision of Federal law, has consented to the transfer of the State of criminal jurisdiction with respect to gambling on the lands of the Indian tribe.

"81167. Theft from gaming establishments on Indian lands"

(a) Whoever abstracts, purloins, willfully misapplies, or takes and carries away with intent to steal, any money, funds, or other property of a value in excess of $1,000 belonging to a gaming establishment operated by or for or licensed by an Indian tribe pursuant to an ordinance or resolution approved by the Indian Gaming Commission shall be fined not more than $250,000, or imprisoned for not more than ten years, or both.

(b) Whoever, being an officer, employee, or individual licensee of a gaming establishment operated by or for or licensed by an Indian tribe pursuant to an ordinance or resolution approved by the National Indian Gaming Commission, embezzles, abstracts, purloins, willfully misapplies, or takes and carries away with intent to steal, any moneys, funds, assets, or other property of such establishment of a value of $1,000 or less shall be fined not more than $250,000 and be imprisoned for not more than five years, or both;

(c) Whoever, being an officer, employee, or individual licensee of a gaming establishment operated by or for or licensed by an Indian tribe pursuant to an ordinance or resolution approved by the National Indian Gaming Commission, embezzles, abstracts, purloins, willfully misapplies, or takes and carries away with intent to steal, any moneys, funds, assets, or other property of such establishment of a value in excess of $100,000 shall be fined not more than $100,000,000 or imprisoned for not more than twenty years, or both.”

**CONFORMING AMENDMENT**

Sec. 24. The table of contents for chapter 53 of title 18, United States Code, is amended by adding at the end thereof the following:

"81166. Gambling in Indian country.

81167. Theft from gaming establishments on Indian lands.

81168. Theft by officers or employees of gaming establishments on Indian lands.”

The SPEAKER pro tempore. Is a second demanded?

Mrs. VUCANOVICH. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Arizona [Mr. Udall] will be recognized for 20 minutes and the gentleman from Nevada [Mrs. Vucanovich] will be recognized for 20 minutes.

Mr. Udall. The Chair recognizes the gentleman from Arizona [Mr. Udall].

**GENERAL LEAVE**

Mr. UDALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks on the Senate bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Arizona [Mr. Udall]?

There was no objection.

Mr. Udall. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, S. 555 provides for the regulation of certain gambling activity conducted on Indian lands. I want to make clear that this bill does not authorize gambling on Indian reservations, but, rather, establishes regulatory schemes for gaming which is otherwise legal under existing law.

S. 555 is the culmination of nearly 6 years of congressional consideration of this issue. The basic problem which has prevented earlier action by Congress has been the conflict between the right of tribal self-government and the desire for State jurisdiction over gaming activity on Indian lands.

On July 6, I inserted a statement in the Record which set out my position on this issue. I stated that I could not support the unilateral imposition of State jurisdiction over Indian tribal governments. I did state, however, that I remained open to reasonable compromises on the issue.

S. 555 is such a compromise, hammered out in the Senate after considerable study and negotiations. It is a solution which I am personally acceptable to me and I support its enactment.

The core of the compromise in S. 555 is that class III gaming activities, generally defined to be casino gaming and pari-kime betting, will hereafter be legal on Indian reservations only if conducted under a compact between the tribe and the State.

While it is possible that elements of State regulation may be a part of such a compact, this is a matter between two sovereign entities and the Federal court, under the terms of the bill, will review the failure of the parties to arrive at an agreement under a test of good faith bargaining.

While the Interior Committee did not consider and did not report S. 555, certain members and committee staff did participate very actively in the negotiations in the Senate which gave rise to the compromise in S. 555. In addition, many of the provisions of S. 555 are included in House legislation which has been considered by the Interior Committee and the House in recent weeks. Therefore, I would like to comment briefly on some aspects of the bill.

First, I would like to comment on the core compromise relating to the regulation of class III gaming. Over the years, I have strongly resisted the imposition of State jurisdiction over Indian tribes in this and other areas. This Nation has had a longstanding policy of protecting the rights of Indian tribes to self-government. Most acts of Congress in the last 50 years, including in this Congress, have been designed to strengthen those governments. The tribal-State compact provisions of S. 555 should be viewed in those terms. To the extent that these provisions result in State involvement in tribal gaming activities, they should be viewed as exceptions to this policy and not as precedents for the future.
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Mrs. VUCANOVIČ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of S. 555, the Indian Gaming Regulatory Act. S. 555 is the result of more than 5 years of discussions and negotiations between gaming tribes, States, the gaming industry the administration, and the Congress, in an attempt to formulate a system for regulating gaming on Indian lands. In developing the legislation, the issue has been how best to preserve the right of tribes to self-government while, at the same time, to protect both the tribes and the gaming public from unscrupulous persons. An additional objective inherent in any government regulatory scheme is to achieve a fair balancing of competitive economic interests.

The question of how best to regulate gaming on Indian lands raises important issues regarding State law enforcement and the need for proper regulation of gaming activities and the strong interests of Indian tribes in self-government and economic development. As with most matters affecting the people between the States and Indian tribes, Congress is faced with the difficult task of reconciling powerful and conflicting interests. The task faced by Congress in developing the regulations has been made more difficult since it involves the balancing of not only property rights or other economic considerations, but also complex matters of law enforcement and regulatory policy in the unique field of gaming.

S. 555, in my view, represents a sound attempt by Congress to strike a fair balance among the many parties who have interests at stake in the regulation. The bill, which was passed unanimously by the other body on September 15, 1988, incorporates elements of most of the legislative proposals introduced in Congress and considered at length in the Interior Committee. Like all compromises, the bill is not perfect from the point of view of any individual interest within its purview. State attorneys general, the non-Indian gaming industry throughout the country, and Indian tribes can all point to particular provisions of the bill they may find objectionable. Considering the strongly held views of the diverse interest groups involved in our deliberations, I believe that the Interior Committee and the Senate Committee on Indian Affairs have done an admirable job in fashioning an acceptable, workable, compromise bill. At this point, I would like to commend Chairman Udall, ranking minority member Don Young, the other members of the Interior Committee, Chairman Isaac and Senator Lott. If this bill is to work, the only way we can produce a compromise acceptable to all parties.

The principal objective of S. 555 is to provide a statutory basis and an appropriate regulatory framework for gaming on Indian lands. The bill achieves this by dividing the many types of gaming into three classes and prescribing a particular form of regulation for each class. Class I gaming includes social or traditional Indian games played in connection with tribal ceremonies or celebrations. This class of gaming will be regulated exclusively by tribal governments under S. 555.

Class II gaming includes bingo, lotto, and poker games if played in conformance with State laws regarding pot sizes, set limits, and hours of operation. Those card games allowed under class II are those where players pay against each other rather than against the house. Those games where players pay against the house and the house acts as dealer are regulated under class III which I will talk about next. Class II also includes a “grandfather clause” for certain banking card games in operation or before May 1, 1988. Class II is essentially identical to slot machines or electronic or electromechanical facsimiles of other games. Under the bill, class II gaming will be regulated by the tribes with oversight by a five-member national Indian gaming commission.

Class III gaming includes all forms of gaming not identified in classes I and II. In particular, this class would include casino gaming and parimutuel betting on horse racing, dog racing, and jai alai. For this class, the bill establishes a system through which tribes and States may negotiate the terms of gaming regulation as part of a compact. This system ensures that tribal economic opportunities are preserved in a context which assures the States a degree of control over high stake gaming within their borders.

Many State law enforcement officials have advocated complete State jurisdiction over gaming on Indian lands. Some tribes, on the other hand, advocate strictly tribal jurisdiction over all forms of gaming by requiring the States and the tribes to negotiate with one another, this bill favors neither State jurisdiction nor exclusive tribal control.

In order to meet tribal concerns that States may refuse to allow them to initiate class III gaming, the bill includes protections for tribes in the process or achieving a compact. In particular, the bill requires States to negotiate in good faith with tribes, and establishes standards for determining whether this requirement has been met. The bill grants tribes a federal cause of action against States for failure to negotiate in good faith. If a court finds that the State did not negotiate in good faith, the bill prescribes further procedures, including a court-ordered second round of negotiations, submission to a mediator, and
the establishment of class III gaming procedures by the Secretary of the Interior. In short, this bill represents a carefully crafted and long-sought solution to an especially difficult problem in Indian affairs. While the bill may not be perfect, it is perhaps as close as we will get to an appropriate solution. Recognizing that S. 555 may have certain short-comings, I nevertheless feel it is a workable and effective compromise. Once again, I want to thank Chairman Udall; Chairman Inouye; Mr. PEPPER from Florida; my colleague from California, Mr. COELHO; and Mr. RHODES of Arizona for their help. We’ve all worked very hard on this bill and I urge my colleagues to support passage.

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Mr. Speaker, I reserve the balance of my time.

Mr. UDALL. Mr. Speaker, I yield some of my time as he may consume to the distinguished gentlemen from California [Mr. COELHO].

Mr. COELHO. Mr. Speaker, I thank the gentlemen for yielding time to me.

Mr. Speaker, the legislation we have before us today is not perfect. It would be impossible to craft a bill that perfectly addresses every single aspect of an issue as complex and—for many—as emotional as the regulation of gambling on Indian lands. But I believe this legislation represents a fair and reasonable approach to resolving that difficult issue, and I join the distinguished chairman of the Interior and Insular Affairs Committee in urging my colleagues to support it.

The gentleman from Arizona has worked long and hard to develop consensus legislation that would provide for the effective regulation of high-stakes gambling on Indian reservations while preserving the sovereignty of tribal governments. Achieving that balance has not been easy, and I commend Mr. Udall for his dedication and leadership in pursuing the consensus embodied by this bill.

I also want to acknowledge the outstanding leadership of Senator Inouye, the chairman of the Senate Indian Affairs Committee and author of the legislation we have before us today. I doubt that a consensus would have been possible without Senator Inouye’s diligent efforts to accommodate the interests of the tribes, the States and the non-Indian gaming industry.

Mr. Speaker, I also want to acknowledge the work of my colleague, the gentlewoman from Nevada [Mrs. WILSON], who I think has done a tremendous job in making sure that all interests are represented as well.

Mr. Speaker, it has taken us a long time to get to this point, and I will not waste any more time discussing all of the issues and arguments. But I do think it is important to say a few words about why this legislation is necessary.

Indian tribes have been engaged in gaming activity, chiefly bingo, for about 15 years. To be sure, gaming revenues have greatly benefited tribes that have experienced economic hardship. And in most cases, the tribes appear to have done a fairly good job of regulating their bingo games, even though some Indian reservation bingo operations have been victimized by unscrupulous characters and criminal elements.

There are those who say that because there has never been a “clearly proven” case of “organized” criminal activity in bingo and card operations on Indian reservations, there is no reason for Congress to pass this legislation. That argument misses the point completely because the congressional debate on the regulation of Indian gaming has never been about bingo. In fact, the bill we have here today provides for only minimal Federal regulation of bingo and certain card games. It even allows most of that Federal regulation to be waived for reservation bingo and card games that are well run.

The debate on this bill are about regulation of the kind of high-stakes gambling that for the most part has not yet appeared on Indian reservations. This so-called class III gaming includes horse racing, dog racing, jai alai and certain card games and gambling devices. No one can deny that these very lucrative and easily corrupted games have long been the target of organized and sometimes intensive criminal activity. That is why the States subject such activities to very strict regulation. In the case of horse racing, much of that regulation is intended to protect horses from those who would abuse them for an unfair advantage and an illegal profit. As a lifelong horseman, I am concerned that the welfare of racing animals receives the greatest measure of protection possible. That concern is what brought me into the debate on the regulation of gambling on Indian reservations.

Despite the vast amount of experience and resources that the States devote to the regulation of non-Indian horse racing and other high-stakes gambling, the pressure from criminal elements remains constant and strong. There is good reason to believe that similar gambling activity on Indian reservations would be subject to similar pressures. But there is also good reason to doubt that many Indian tribes, lacking in experience and resources, would be able to effectively regulate high-stakes gambling. And the checkered history of Federal Indian programs makes it impossible to believe that any sort of Federal regulatory system would be successful.

As sovereign governments, Indian tribes certainly have the right to engage in gambling if they wish. But the States also have the sovereign right—and the responsibility—to protect their citizens from the threat of criminal activity. When the legitimate exercise of their rights brings sovereign States into conflict with one another, the legally accepted practice is for them to negotiate an agreement that serves the interests of all parties. In most cases, such agreements require each party to voluntarily limit the exercise of certain individual rights in order to achieve a common goal. This bill establishes a framework in which Indian tribes and States can meet as equals, government-to-government, to negotiate an agreement—a compact—for a mutually acceptable method of regulating high-stakes gambling on Indian reservations. The bill requires the States to negotiate in good faith and it provides for legal recourse if they do not.

It is important to make it clear that the compact arrangement set forth in this legislation is intended solely for the regulation of gaming activities. It is not the intent of Congress to establish a precedent for the use of compacts in other areas, such as water rights, land use, environmental regulation or taxation. Nor is it the intent of Congress that States use negotiations on gaming compacts as a means to pressure Indian tribes to cede rights in any other area. Congress also assumes that the States will be reasonable in negotiating gaming compacts and not simply insist that tribes submit to complete State regulation. It is even possible that a compact might provide for no State involvement in the regulation of gaming activities on a particular reservation.

Last year, I worked with representatives of both the Indian and non-Indian gaming communities to develop a compromise proposal on the tribal-State compact management very similar to the one contained in this bill. I believe it is a good idea now, and I again strongly urge my colleagues to support this bill.

Mr. SHUMWAY. Mr. Speaker, I am opposed to S. 555, the Indian Gaming Regulatory Act. While proponents laud this measure as the best compromise we are going to get, I believe it is just not good enough.

My major objection to this bill is the establishment of another layer of Federal bureaucracy, with its attendant cost. The bill establishes the National Indian Gaming Commission, to monitor gaming activities on Indian lands and approve management contracts for such games. While the bill provides for a compact between the States and the tribes in the case of class III gaming, no similar provision is made for class II gaming. Ironically, several Members who spoke in favor of the Federal regulatory approach pointed out that State supervision and control over class II games to prevent corruption, ensure compliance and apply existing expertise. In my view, the same should hold true for all gaming activities.

I make no secret of my personal opposition to using gambling as a means to raise money. However, I also believe that the decision to permit gambling should be left up to the individual States. In States where gambling is permitted, a mechanism is already in place to police and oversee the operation of such games. It makes far more sense to permit the States to extend existing regulations to games taking place on Indian lands. There is no need to establish more Federal Government.

Mrs. VUCANOVIĆ. Mr. Speaker, I yield 1 minute to the gentleman from New Mexico [Mr. LUJAN].

Mr. LUJAN. Mr. Speaker, I thank the gentlewoman for yielding time to me.

Mr. Speaker, I have a question for Chairman Udall. The language of section 12(b)(5) and 12(c) contemplates that if an Indian tribe so requests, the Chairman of the Commission may au-
authorize a contract term of 7 years and a management fee of 40 percent. The Indian tribe, as a party to the management where and as the owner of a bingo operation, is in the best position to evaluate the reasonableness of its contract term and management fee. Am I correct in my understanding that it is the intent of this legislation that because the request by the Indian tribe is a condition precedent to a 7-year term and 40-percent management fee, the assumption by the Chairman will be that such term and fee are economically reasonable when so requested by the Indian tribe and will be approved by the Chairman?

Mr. UDALL. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. I yield to the chairman of the Committee on Interior and Insular Affairs, the gentleman from Arizona [Mr. UDALL].

Mr. UDALL. I thank the gentleman for yielding.

Mr. Speaker, yes, we expect the Chairman will approve the tribe's request.

Mr. LUJAN. I thank the gentleman for his response.

Mr. UDALL. Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. I thank the gentleman for yielding.

Mr. Speaker, I want to congratulate the chairman of the Committee on Interior and Insular Affairs on developing this legislation which I know has been very difficult to bring together. One of the most difficult challenges that one could undertake is one of reconciling and Indian Affairs. This legislation will bring consistency to the way in which the Federal Government regulates gaming on Indian lands. But at least one inconsistency remains in the bill.

On the one hand, I think it is very good that the legislation provides regulation on a joint basis between the Federal Government and the tribes, of class two high stakes bingo. That is a very important provision. It is also a very important source of revenue for Indian reservations in our State of Minnesota and in my congressional district where reservations are using the money wisely to invest in health care, education and economic development, the revenue derived from high-stakes bingo.

But there is another class of activity that is not covered by this legislation and that is the class three gaming. Many of the reservations in Minnesota are set up for games of chance. It seems to me that they should have been grandfathered in along with those tribes in the four States that are allowed to continue with class three card games under the Federal mandate.

I earnestly hope that future legislation can be written and enacted to remedy this omission. But as I understand it, however, the State of Minnesota can go back, that is if I understand the chairman, for what he correctly can change its own law to regulate between the State and the Indian reservations the class three gaming that is now already set up and for which the States are ready to undertake these activities. But frankly it seemed to me that this activity should have been within the ambit of the overall Federal-to-tribe responsibility that has historically existed with respect to Indian activities.

Overall I support the legislation. I want to compliment the gentleman on bringing it forth. It does make secure the high-stakes bingo operation that has been such an important source of revenue and economic growth and development for Indian reservations throughout the country.

Mrs. VUCANOVIĆ. Mr. Speaker, I yield to the gentleman from Michigan [Mr. HENRY].

Mr. HENRY. I thank the gentleman for yielding.

Mr. Speaker, it is with reluctance that I rise in opposition of the bill. I point out that although we are operating under suspension of the rules, it is a little strained to be reading a bill which at this point is not even yet printed. It has not been made available to the Members.

 Granted that the bill is taken to us without amendment from the way in which it was passed September 15 in the Senate. It is a little late for Members on either side of the aisle to be getting that kind of information.

But more importantly, Mr. Speaker, are the contents of the bill. I come from one of the five States in which this bill circumvents State law by grandfathering in existing illegal gambling on some of the tribal territories and reservations in the State.

My Federal prosecutor has advised me of this fact and urge that I urge you, in turn, to support the State of Michigan and several other States who have fought illegal gambling on Indian reservations. Our position has been upheld by the Federal district court for western Michigan and also on appeal to the sixth district court of the Federal appeals court.

It is unfair, Mr. Speaker, to retroactively grandfather existing illegal gambling operations in a number of States as this legislation does. I am also advised that other States object because they were not grandfathered while others will be, which indicates inconsistencies in the legislation.

I urge a "no" vote.

Mr. Speaker, I yield 2 minutes to the gentleman from Minnesota [Mr. Sikorski].

Mrs. VUCANOVIĆ. Mr. Speaker, I yield to the gentleman from Minnesota [Mr. Sikorski].

Mr. SIKORSKI. Mr. Speaker, I rise in opposition to the legislation although I have great respect for the gentlewoman from Nevada and for the gentleman from Arizona [Mr. Udall], for their long and vigorous fight for Indian rights, and with others who are involved in this legislation.

After a weekend of conversation with Minnesota's Indians, I think there are more questions than answers.

For example, what is the origin of this legislation undermining Indian sovereignty? Who wins and who loses under it? Where is the problem that needs correction? Finally, why do we feel we can invade Indian sovereignty when it is inconvenient to respect it?

On the "who" issue, I have been told that in a white-owned casino-ladened casino syndicates on the east and west coasts, the track owners and even States that have their own gambling operation do not like the little competition they get from Indian reservation bingo and cards and video machines.

We can understand this desire to shut down any competition; any business wants to do that.

But does this explain why we pull the plugs on a couple of video machines hundreds of miles, in some cases thousands of miles, from Donald Trump or the Vegas strip? It is plundering money to the big boys, but to most reservations in the country it is the very difference between survival and total dependence on the "Big White Father"—the Federal Government. On the reservations, this little money is the difference between a drug rehabilitation program and no program; between the successful child nutrition program and no program; between an alternative school or a senior citizen center and nothing.

It provides a little cushion, a little bit of employment on reservations that have 50, 60, 70, 80 most of them close to 90 percent unemployment. This little industry provides health and human services, Indian cultural efforts, and badly needed employment to forgotten human beings who are set aside on picked-over and left-over public lands that were given to them as reservations under treaties. Indians the gambling winners and losers—Indians are losers and the gamblers, casino operators, track owners, and State gamblers are winners.

Where is the problem? There have been grand claims that this is good for the Indians because it "protects them" from unscrupulous managers and organized crime. But there is no data on all of that. In fact, the tribal leader told me the only organized crime they have seen is the Bureau of Indian Affairs. And they do not need one more commission or another bureaucracy, and outside intervention from those people who say they know it all but know too little.
Now why? Why do we feel we can once again invade the sovereignty of Indian tribes and governments and peoples? And why do we invade Indian sovereignty, this bill in wholesale fashion empowers the States to do the same. And these are the States that are negotiating with these tribes on water rights, on mineral rights, on hunting and fishing rights.

This is a usurpation of powers held under treaty with this Government by the independent tribal governments in this Nation that they once held dominion over.

The Supreme Court has ruled for the Indians; Congress has passed laws on Indian self-determination; Presidents from Washington to Reagan have in statements respected Indian rights. So how can we now in this great body and as this Government so easily trample on independent treaties reached by our forbears? Is it simple mathematics? More of us and less of them? Is it sheer force of habit? Or convenience? Like the many people we know who are great dieters, and are always on a diet—except when it comes to mealtime or snacktime or ice cream time.

Can we not resist just once the temptation to resolve a real or potential problem by trampling the sovereignty of Indian peoples? Is this, the 100th Congress, memorializing the 200th anniversary of our Constitution, not going to go back and read that document? Indian nations are given special status and protection therein.

Vote "no" and vote against bureaucracy, against the casino syndicates, and for respect for Indian rights.

Mr. UDALL. Mr. Speaker, I reserve the balance of my time.

Mrs. VUCANOVIČ. Mr. Speaker, I yield 5 minutes to the gentleman from Nebraska (Mr. BERRETER), a former member of the committee.

Mr. BERRETER. Mr. Speaker, let me begin by thanking the gentlewoman from Nevada (Mrs. Vucanovič) for yielding me this time and commending the distinguished chairman, the gentleman from Arizona (Mr. Udall), and the members of the Committee on Interior and Insular Affairs and their counterparts in the other body for wrestling with the issues involved in this legislation. They are contentious, they are complicated, and I think it is well to commend the committees for addressing them through this legislation.

I am particularly pleased with section 20 of this legislation. It reflects, with only minor adaptations, legislation I introduced about 3 years ago, in the 99th Congress, H.R. 3130. It relates to gaming on noncontiguous sites for Indian tribes. In this legislation, section 20 prohibits Indian gaming activities on land not adjacent to Indian reservations, on reservation or contiguous sites, and then, when additional sites are considered in that category, on reservation or contiguous to reservation. For gaming to occur on reservation or parcels contiguous to a reservation after the enactment of this legislation the Secretary would have to consult with State and local officials, including officials of nearby Indian tribes that might be affected, to determine that such gaming would be in the best interest of Indian tribes and its members and that such gaming would not be detrimental to the surrounding community or adjacent Indian tribes for such gaming activities to take place on these new sites.

While proposed Indian gaming activities on noncontiguous sites was a problem that affected South Sioux City, NE, in my own district, it was also a situation that was apparently about to occur on noncontiguous sites as far as halfway across the United States from the Indian tribe proposing such sites. This legislation also gives the opportunity for the Governor to have input into the Secretary, in fact, could not take action to establish or approve additional gaming sites on reservation or contiguous to a reservation unless the Governor concurred with the proposed approval by the Secretary.

So, Mr. Speaker, the language contained in section 20, I think, demonstrates a respect for local community views and for the responsibility of State government. I thank the committees for their effort on this particular section of the bill.

Mrs. VUCANOVIČ. Mr. Speaker, I yield 5 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Speaker, I rise in opposition to the bill, and I wish to associate myself with the remarks of the gentleman from New Jersey (Mr. Srkosski), who just completed his presentation in the well of the House a few moments ago.

Whatever good may come out of this bill is not well-known to me, primarily because the committee has not seen fit to present us with a committee report. We have only a copy of a Senate bill, and it is a little hard for us to know exactly what the committee intends or what benefits it believes are inherent in the bill.

However, to the gentleman from Minnesota (Mr. Srkosski), the gentleman from Minnesota (Mr. Oberstar), myself, and many others who represent tribal units which rely on the income from certain games other than bingo conducted by groups within our area, this is a devastating blow.

In my own district, there is a very small but quite active bingo and television games. They are an important part of its revenue. Since it undertook the conduct of these games, things have taken a good turn for that tribe.

Its operations have always been very highly thought of by the neighboring municipalities and counties, and there is general approval of the conduct of these games. There have never been complaints, insofar as I am aware, and now this tribe is going to have jerked from it its very important source of revenue.

That, it seems to me, is a very strange maneuver by a committee like this whose job it is to look after the interests of Indian tribes. This bill would seem to give evidence that the committee is more interested in the welfare of the large casinos in Las Vegas and Atlantic City.

I am extremely disappointed that the committee would not have undertaken an amendment to add further clarification in a group such as the one that operates in my district and the ones of which the other two gentlemen from Minnesota spoke.

Mr. Speaker, I hope there will be a chance to defeat this bill so that the committee can do a job that will pay attention to the needs of these small tribes such as the ones to which I refer.

Mrs. VUCANOVIČ. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as a final note, let me say that the administration has fully participated in the formulation of S. 555, and officially the administration has no objection to the bill.

Mr. RHODES. Mr. Speaker, I rise in reluctant support of S. 555, the Indian Gaming Regulatory Act. The act would provide a regulatory scheme for gambling operations regulated by an Indian tribe in Indian country. The bill divides gaming into three categories—class I ceremonial, class II bingo-level games, and class III all other forms, including pari-mutuels and casinos.

While I support a regulatory oversight by the Federal Government of Indian games, I am concerned that we may have taken a step too far, and may subject tribes to unwarranted State control.

As my colleagues should know, the U.S. Constitution grants Congress the authority to address Indian issues, and except where specifically granted by Congress, States do not have jurisdiction over Indian tribes nor over Indian country. This was the basis for the ruling in the Cabazon decision, affirming the rights of tribes to regulate gaming outside of the State regulatory system.

S. 555 would provide a procedure for an Indian tribe and a State to enter into a compact with the purpose of regulating class III Indian gaming, such as dog and horse racing, casinos, and jai alai. While this appears on the surface to be fair to tribes, as independent sovereigns, to negotiate with States for these compacts, I am concerned that the States do not have a good track record in how they deal with Indians, and the appeal provisions of S. 555 are quite complicated.
Therefore, Mr. Speaker, I urge my colleagues to support S. 555, but also to be aware that I believe congressional oversight of the compact process is essential in the future.

Mr. BILBRAY. Mr. Speaker, I wish to take this opportunity to say a few words in support of S. 555, the Indian Gaming Regulatory Act. We now have over 55 years of legal gaming experience, and we have enjoyed many of the benefits as well as the unpleasant side effects of legalized casino gaming. Prior to serving in the Congress, I served in both the legislative and judicial branches of government in the State of Nevada. My experience in Nevada has sensitized me to many of the issues surrounding Indian gaming. It is from this perspective that I wish to discuss S. 555 and other issues concerning gaming on Indian lands.

Today more than ever, Indian tribes are seeking to supplement their limited resources through the exercise of their sovereign right to invite the general public to come onto their lands and participate in various forms of legal gaming activities. But because of the special nature of legal gaming, governmental regulation of such activity is necessary. The current question before Congress is whether this legal gaming will be regulated by the Indian tribes, by the States where the tribal lands are located, or by the Federal Government, which retains authority over certain aspects of reservation life. A recent decision of the Supreme Court, Cabazon Band of Mission Indians, reaffirmed the State's right to regulate gaming on tribal lands on their reservations if Congress expressly provides for such application.

S. 555 seeks to balance the legitimate interest of the Indian tribes with the need to regulate gaming on Indian lands in order to minimize or avoid the effects of the actions of unscrupulous operators. This measure leaves class I gaming activities, such as traditional ceremonial gambling, under the sole jurisdiction of the tribes. Class II gaming, such as bingo, lotto, and slot machines, would continue to be within tribal jurisdiction but subject to oversight regulation by the National Indian Gaming Commission. Supervision and control of class III gaming, which includes horse racing, dog racing, casino gaming including slot machines, jai alai and similar activities, would be a State function under a transfer of authority from the Indian tribe once the tribe had decided to offer class III games. This is most appropriate given the expertise of State class III gaming regulators on the oversight and control of this complex class of gaming.

Mr. Speaker, because of the experience of the State of Nevada in the area of legal gaming, I believe State supervision and control of class III gaming is imperative for the following reasons:

Class III games are complex and easily corrupted without constant vigilance by trained and experienced regulators. There are States that now permit such gaming already have in place tested regulatory programs and trained programs.

The expertise and experience these States have acquired over the years cannot be readily replicated by the Indian tribes or by regulatory contractors to the tribes.

A Federal commission would not have the money, manpower, or expertise necessary to regulate class III games.

The States have a strong interest in regulating all class III gaming activities within their borders—the vast majority of consumers of such gaming on Indian lands would be non-Indian citizens of the States and tourists to the State. Similarly, nonresidents of class III games would be non-Indians with previous experience in such gaming.

The States have a constitutional responsibility to protect their citizens from harm, here in the form of fraudulent manipulation by the operators of the games and victimization by criminal elements that may infiltrate the legal games operated on Indian lands. A State's citizenry has a right to be treated fairly in any commercial activity, whether provided by Indi- an or non-Indian.

Disparate treatment of the same activities within a State would not only create tremendous strains between the tribes and State law enforcement officials, it would also accord preferential treatment to one group of gaming operators. A single State entity to regulate all class III gaming within the State is the most efficient allocation of scarce resources.

The imposition of a State regulatory scheme on class III games operated on Indian lands would enhance both the appearance and the fact of integrity in the operation of the games.

Mr. Speaker, for all of these reasons, I urge my colleagues to support S. 555 and I yield back the balance of my time.

Mr. UDALL. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. MONTGOMERY). The question is on the motion offered by the gentleman from Arizona (Mr. Udall) that the House suspend the rules and pass the Senate bill, S. 555.

The question was taken.

Mr. FRENZEL. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 5 of rule I and the Chair's prior announcement, further proceedings on this motion will be postponed.

SOUTHWESTERN LOW-LEVEL RADIOACTIVE WASTE DISPOSAL COMPACT CONSENT ACT

Mr. UDALL. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5232) to grant the consent of the Congress to the southwestern low-level radioactive waste disposal compact.

The Clerk read as follows:

H.R. 5232
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Southwestern Low-Level Radioactive Waste Disposal Compact Consent Act".

SEC. 2. CONGRESSIONAL FINDING.

The Congress finds that the compact set forth in section 5 is in furtherance of the Low-Level Radioactive Waste Policy Act.

SEC. 3. CONDITIONS OF CONSENT TO COMPACT.

The consent of the Congress to the compact set forth in section 5 shall be:

(1) shall become effective on the date of the enactment of this Act;

(2) is granted subject to the provisions of the Low-Level Radioactive Waste Policy Act; and

(3) is granted only for so long as the regional commission established in the compact complies with all of the provisions of such Act.

SEC. 4. CONGRESSIONAL REVIEW.

The Congress may alter, amend, or repeal this Act with respect to the compact set forth in section 5 after the expiration of the 10-year period following the date of enactment of this Act, and at such intervals thereafter as may be provided in such compact.

SEC. 5. SOUTHWESTERN LOW-LEVEL RADIOACTIVE WASTE COMPACT.

In accordance with section 4(a)(2) of the Low-Level Radioactive Waste Policy Act (42 U.S.C. 2021d and (a)(2)), the consent of Congress is given to the states of Arizona, California, and any eligible states, as defined in article VII of the Southwestern Low-Level Radioactive Waste Disposal Compact, to enter into such compact. Such compact is substantially as follows:

ARTICLE I.—COMPACT POLICY AND FORMATION

The party states hereby find and declare all of the following:


(B) It is the purpose of this compact to provide the means for such a cooperative effort between or among party states to protect the citizens of the states and the states' environments.

(C) It is the policy of party states to this compact to encourage the reduction of the volume of low-level radioactive waste requiring disposal within the compact region.

(D) It is the policy of the party states that the protection of the health and safety of their citizens and the most ecological and economical management of low-level radioactive wastes can be accomplished through cooperation of the states by minimizing the amount of handling and transportation required to dispose of these wastes and by providing facilities that serve the compact region.

(E) Each party state, if an agreement state pursuant to section 2001 of title 42 of the United States Code, or the Nuclear Regulatory Commission if not an agreement state, is responsible for the primary regulation of radioactive materials within its jurisdiction.

ARTICLE II.—DEFINITIONS

As used in this compact, unless the context clearly indicates otherwise, the following definitions apply: