NATIONAL INDIAN GAMING COMMISSION CONSULTATION

ON MARCH 23, 2017 AT 3:41 P.M.

IN TULSA, OKLAHOMA
CHAIRPERSON CHAUDHURI: Mvto. Thank you,

Mr. Hill. (Speaking in native language.) My name is Jonodev Chaudhuri. I'm chairman of NIGC, honored to be chairman, but more importantly to me, I'm a member of the Muscogee Creek Nation. Muscogee Creek on my father -- on my mother's side. On my father's side, I'm
I'm honored to be a member of the
first nations as well as a member of first U.S. born family on my father's side.
So that's my background. I'm going to turn it over shortly to my fellow commissioners and Vice Chair Isom-Clause as well as Commissioner Simermeyer to speak about their -- their perspectives and their backgrounds, but I want to begin by thanking everyone here in the room today for taking the time to participate in today's
We do have a consultation on Part 547 grandfathered Class II gaming systems today, but tomorrow, we also have a full slate of consultations scheduled. I encourage everyone here to consider attending tomorrow's consultation as well. I know all of your time is valuable. Many of you have traveled from far away communities. So thank you -- thank you very much.
I'm very excited to -- to hear from the tribal leaders and representatives here in this room today.
The topic that we'll be discussing is important to the ongoing health and integrity of the Indian gaming industry and we welcome all comments and perspectives.

Consultation is very important for us here at NIGC.

We see consultation as a vital part of our regulatory work. We have an ongoing commitment not to put pen to
paper on any major action, any -- really any action of

significance until we engage in meaningful consultation,

which means meaningful, respectful consultation.

And with that, I would like to conclude today's consultation. Ms. Homer, Ms. Collier, I'm sorry you weren't able to attend, but as I was saying -- and thank you for being in on the joke, folks. And hopefully that's not taken out of context when someone reads the transcript.
But consultation is vitally important to us at NIGC. We are of the firm belief that sensible regulation entails hearing from and listening -- listening to the regulated community. We at NIGC recognize our role as part of a larger regulatory structure working hand in hand with the primary regulators of Indian gaming, tribal regulators, and -- as well as, in various cases, given the nature of
specific compacts, state regulators at various times to support the overall integrity of Indian gaming.
We recognize the undeniable impact that Indian gaming has had on the larger Indian policy landscape. We understand the important services and opportunities that gaming has provided, and so we're honored to do our part, but we understand that we can only perform our role at NIGC through meaningful
ongoing consultation with tribes and tribal -- tribal representatives.

So with that, I'm honored to be here today. I'm going to turn it over to our vice chair to introduce her -- herself and say a little bit more about her perspective. And after hearing from the Commission itself, we'll get into a few housekeeping matters.

COMMISSIONER ISOM-CLAUSE: Hello, I'm Kathryn
Isom-Clause. I'm vice chair of the Commission and I'm

Taos Pueblo. As you may have noticed here, we're all
dealing with allergies and have colds up here, so I
apologize if we all sound a little stuffy, but luckily
you're far away from us, so we should be okay. Sorry,

Christinia.

I would like to thank the Muscogee Creek Nation for

welcoming us here. We're very happy to be here and to
coordinate with NTGCR and to have NTGCR's participants here as well.
While we're here today and tomorrow to discuss several specific topics, in a larger sense, our work here is to honor the government-to-government relation between tribal governments and the federal government. In addition to the trust responsibilities that all federal agencies have, our statutory purpose as an
agency is to promote tribal development, self sufficiency and strong tribal government through effective regulation of tribal gaming. To me, this includes also ensuring that the policies and regulations that we have set forth have a view towards safeguarding these benefits for future generations.

While gaming is not the only source of tribal revenue, it is one of the largest for many tribes. Successful gaming regulation at all levels is resulting
16 from efficient day-to-day functioning and signal

17 stability and integrity throughout the industry, and as

18 partners in this regulation, tribal voices are essential

19 to work.

20 Engaging in tribal consultation guarantees that we

21 have the benefit of these views. This ongoing dialogue

22 is one of the most important tools that we have for

23 developing strong policy and regulation at NIGC.
I'd also like to mention that we're in the process of developing our required strategic plan that will
begin in 2018, and the consultation topics that we're going to discuss today and tomorrow reflect many of the Commission's priorities, so the comments that we hear throughout this process will be used also to inform our strategic plan. There will be other opportunity to review that draft plan and to comment specifically on it.
in the future. And we're still waiting to get some of

the information on the requirements and the timing

process for that, so we'll keep you informed as we hear

about it. And, of course, beyond the consultation

session today and over the coming months, our door is

always open.

And, finally, I just wanted to mention that as

we're beginning our consultation sessions in women's

history month, the theme for this year is honoring
trailblazing women in labor and business. So I would
like to recognize the trailblazing women that we have
here today and thank you for your work today and
generally in Indian country that you do every day, so
thank you and I would like to turn it over to
Commissioner Simermeyer.

COMMISSIONER SIMERMeyer: Well, thank you.

I'm Sequoyah Simermeyer. I'm Coharie from North
Carolina and I’m the associate commissioner of the Commission. And I want to join my colleagues in saying
1 thank you to our tribal representatives and to our staff

2 here, the National Indian Gaming Commission, to Mr. Hill

3 for your opening and for the time and effort that folks

4 have put into preparing for our discussion during this

5 consultation series and for the effort that folks are

6 putting forward going in the next coming months here.
I want to echo some of my colleagues our appreciation for the effort at the federal level that we’re responsible for making to collaborate and consult on issues such as those that we’re going to be discussing over the next two days here. Not only does it help to support and undergird the integrity of our legal relationship at the government-to-government level with tribes, it helps us to improve the quality of how we meet our statutory purpose as a government agency, is
a matter of good governance, is important for us as an agency to be engaging in. So I'll be brief with my comments here, but I'm looking forward to both today and tomorrow engaging in conversation and hearing perspectives from you about -- about these issues that we're contemplating, so thank you for your time and thanks from my colleagues.

CHAIRMAN JONODEV: Thank you, Commissioner.
24 So it’s traditional for us to open with introductions.

25 We have a lot of our representatives from NIGC here in
the room. As I mentioned before, there's a raffle going on next door and I anticipate losers of that raffle to be joining us as they stream in. The winners will probably be having fun with their prizes.

But I want to introduce some of the -- some of the members of our team who will be presenting information
today. There are many more members of our team in the audience. After I introduce who from NIGC is here, I'm going to turn it over to audience members, but a few housekeeping rules before we jump into it.

This is a government-to-government consultation, and as such, we look forward to hearing comments and input from tribal leaders and their representatives. And so we recognize there are quite a few representatives of tribal nations here in the room and
we want to hear from all of you, but as we go around and

make introductions, since this consultation is

in addition to our names and our own personal communities,

if we’re here representing a given tribal nation, if we

would please mention on whose behalf you were here, that

will -- that will help us ensure that the proper respect

is given to the nation-to-nation relationship.
At the same time, we also understand that there are important perspectives available in the larger Indian
1 gaming landscape. We understand that there may be

2 individuals here who have perspectives that are

3 important to our discussions, but aren't necessarily

4 part of direct tribal leadership.

5 Once tribal leadership has every opportunity to

6 provide comments and ask questions, we welcome those
comments to be heard. However, with the spirit of tribal consultation and in recognition of the government-to-government relationship that we're honoring here today, if there are any objections from tribal leaders or tribal representatives regarding any comments submitted from non-tribal representatives, we have no issue clearing the room and limiting this discussion to a discussion between NIGC and tribal leadership and tribal representatives.
So bottom line, we want to hear from tribal leaders and tribal representatives. Others may provide input, but if there are any objections, please feel free to object and we will proceed accordingly.

Along the same lines, this is a closed meeting. We value open and honest dialogue. This is a closed meeting, closed meeting meaning closed to media, and so if there are any media representatives in this -- in
24 this meeting, at this time, I would ask them to identify

25 themselves. Should somebody fail not -- fail to
identify themselves, I would -- would like to make the

point that the intent of this meeting is for it to be a

closed media meeting to foster, you know, open dialogue.

Now, with all of that said, we do have a

transcriptionist here. This consultation will be

transcribed and part of public record. And the purpose
of that is while balancing open and free dialogue, we

want the entire Indian gaming community to benefit from

the perspectives and comments shared today.

So at some point, these -- any comments received

and any dialogue that takes place will be recorded.

These comments are part of the deliberative process that

the agency undertakes. We value these comments and we

do review and consider all comments received as we move

forward with our decision making process.
So with that, before formal introductions, I always, in keeping with respecting our elders, before hearing from our NIGC team as it is right now, I always try to recognize NIGC alumni that are in the audience today and I see former vice chair, Liz Homer, there and I thank her for her past service. Former commissioner, Dan Little, is in the back over there. If there are any other NIGC alumni that I'm
missing, please -- oh, and Lael Echohawk. I didn't see.

She's hiding back there. Former counselor to the chair,
and Ms. Echohawk was very involved with the efforts to update a lot of the Class II regulations that we'll be discussing here today as well. So thank you all NIGC alumni for your past service. We appreciate your ongoing commitment to -- to Indian gaming. So we're going to hear some brief presentations.
from our subject matter expert, who is our IT director,

Travis Waldo, before opening it up for further dialogue.

But in addition to the commission, we have members of

NIGC leadership. Without going through the whole list,

I'll just introduce everybody who is out -- up here, and

when we go through the room very briefly, the folks in

the audience can introduce themselves.

But we have Travis Waldo, our director of our --

I'm sorry, not IT. Our director of our technology
division. It's an important distinction, because we
want our technology division to inform every aspect of
agency operations and -- including regulations and
policy making. It's not an IT department. It's the
technology division. He'll be providing us our subject
matter presentation.

But we also have our deputy chief of staff,
Christinia Thomas, who many of you know who is a former
tribal regulator as well and has worn pretty much every

hat at the agency at one time or the other, including
chief of staff.

We also have our general counsel with us, Mike Hoenig, who has been with the agency for many, many years, and as with me, this is a little homecoming for him. He received an LOM from Tulsa and so happy to have Mike here.
We have Tom Cunningham, our director -- our regional director from the Oklahoma City regional office. I don't believe Tim Harper is here today, but Tim Harper is the director -- regional director from the Tulsa office, and we appreciate Tom and Tim's teams and the work that they do to maintain strong daily relationships with their fellow regulators on the ground.

We also have our director of finance, Yvonne Lee,
here and many others in the room. So that's the NIGC ensemble that's up here.

At this point, I'd like to turn it over to the audience so that we can all know who we are and who we're talking among and who we're meeting with so we may be of one heart and one mind. And as we go through, we always want to be respectful of everyone's time. If we could at least hear your name, your community, your
title, and if you're here representing a given nation,

please let us know. And if you have a name with an
unusual spelling -- I mean, not an unusual -- that's a

bad way of saying it, but with a long spelling. I have

a name with a long spelling. I don't think it's

umusual. Everybody in my family has the same name, but

if you have a name that may be a challenge to spell, you

know, because we do have a transcriptionist, please feel
free to spell it as well, so with that, I'd like to turn it over to all of you.

MR. MATTHEWS: Hi, my name is JR Matthews. I'm a Quapaw tribal member. I'm also a member of the NIGA Class II subcommittee, and you spell it, J-A-Y-A-R-E.

MR. WARD: Steve Ward of general counsel of the Quapaw Tribe of Oklahoma.

MR. LANKFORD: (Speaking in native language.)
16 I'm Chief Lankford of the Miami Tribe of Oklahoma.

17 MS. LASH: Robin Lash, general counsel gaming

18 commissioner and also the NIGA subcommittee member.

19 M. COX: Jeremy Cox, NIGC IT auditor out of

20 the Tulsa Regional office.

21 MS. MODRICH-ALVARADO: Mary Modrich-Alvarado

22 with NIGC, office of general counsel.

23 MR. BADGER: Austin Badger, NIGC secretary.
MR. BREWER: Steve Brewer, training manager, NIGC.
MS. OBER: I'm Marci Ober. I'm the compliance officer with NIGC here in Tulsa.

MS. BLAKELY: Miranda Blakely, compliance officer, Tulsa region, NIGC.

MR. BYRNE: Bill Byrne, spelled B-Y-R-N-E, with the Poarch Creek Band of Indians from Alabama. I'm
a director of audit with the gaming commission.

MR. McBRIDE: Mike McBride, attorney general,

Seminole Nation of Oklahoma.

MR. PRATT: Bruce Pratt, president, Pawnee Nation.

MS. CAVINESS: Gena Caviness, compliance manager for Cherokee Nation Gaming Commission.

MR. NORMAN: Kyle Norman, project manager, Choctaw Nation.
MS. PENZ: Paula Penz, gaming commissioner,

Choctaw Nation.

MS. NELSON: Jody Nelson, audit manager at the

Choctaw Nation Gaming Commission.

MR. TOMLINSON: Tyler Tomlinson, technical compliance manager for Choctaw Nation Gaming Commission.

MR. TORIVIO: Mike Torivio, Pueblo Gaming Commission.
MS. TURNER: Martha Turner with Commanche Nation Entertainment, director of compliance.
MS. BUTLER WOLFE: Good afternoon. My name is Edwina Butler Wolfe, governor of the Absentee Shawnee Tribe.

MS. TANYAN: Lesley Tanyan, executive director in Absentee Shawnee and Class II NIGA subcommittee member.
MR. SWITCH: Kelly Switch of the Absentee Shawnee Tribe Gaming Commission as deputy commissioner.

MS. KAISER-COLLIER: Barbara Kaiser Collier, executive director of the Quapaw Tribal Gaming Agency of the Quapaw Tribe.

MS. HOMER: Elizabeth Lohah Homer. I'm in the accompaniment today of the Quapaw Tribal Gaming Regulatory Agency and I am an attorney in private practice in Washington. I'm also here to monitor on
behalf of the Seneca-Cayuga Nation of Oklahoma and the Prairie Band Potawatomi Tribe.

MS. DUPUIS: (Speaking in native language.)

Francine Dupuis, D-U-P-U-I-S, CNSKT board member and a subcommittee member.

MS. BLALOCK: Jeananne Blalock, compliance supervisor with Quapaw Tribal Gaming Agency.

MR. OROSCO: Philip Orosco, senior director of
regulatory compliance for the Ottawa Gaming Commission.

MS. DAN: Billie Dan, director of compliance
for Seminole Nation Gaming Enterprise.

MR. HALE: Terry Hale, compliance manager for the Seminole Nation Gaming Agency.

MR. LAURENZANA: Rudy Laurenzana, chief gaming regulator with the Seminole Nation Gaming Agency.

MR. LARNEY: Jeremy Larney, gaming
MR. MORGAN: Good afternoon. Matthew Morgan, director of gaming affairs, Chickasaw Nation Department of Commerce. Also serve as NIGA's chairman of the Class II subcommittee.

MR. LITTLE: Dan Little, I'm the vice president of government relations for Aristocrat Technologies and BGT, and I'm also an advisor to the NiGA Class II working group.
16    MS. ECHOHAWK: Good afternoon. Lael Echohawk.

17    I'm a member of the Pawnee Nation. Good to see you,

18    President. I'm here -- I'm here on behalf of Hobbs

19    Straus and a number of our clients, including Wichita

20    and Iowa Tribes and a number of other tribes that I

21    don't know because I wasn't supposed to be here today,

22    but filling in.

23    MS. MATHEWS: Tonya Mathews, executive
director of Peoria Tribal Gaming Commission.

MR. HITCHCOCK: Jeff Hitchcock, Wyandotte
1 Nation Gaming Commission.

2 MR. BURRIS: Tracy Burris, gaming commissioner

3 of Viejas Band of Kumeyaay Indians.

4 MR. ADAMS: Charlie Adams, Muscogee Creek

5 Nation. I'm the compliance surveillance manager.

6 MR. YORK: I don't want Jamie going before me.
MR. HUMMINGBIRD: Usually they save the best for last. Jamie Hummingbird, director of gaming commission for Cherokee Nation.

MR. YORK: Buddy York, gaming commissioner, Muscogee Creek Nation.

MR. BURRIGHT: Jered Burright, IT manager for Muscogee Creek Nation.

MS. GIBSON: Jackie Gibson, executive director, Muscogee Creek Nation.
MR. ALLEN: Zach Allen, software and internal audit manager for Muscogee Creek Nation.

MS. MORAGO: Sheila Morago, executive director, Oklahoma Indian Gaming Association.

MR. KERR: David Kerr with Sycuan Band of Kumeyaay Nation, regulation supervisor.

MS. PIERCE: Kim Pierce, internal auditor Sac and Fox Nation Gaming Commission.
24 MR. SMITH: Doug Smith, compliance manager for

25 the Sac and Fox Gaming Commission.
MR. MOODY: Brian Moody, NIGC Tulsa office.

CHAIRMAN CHAUDHURI: Okay. And we'll allow others who come in and are unsuccessful in the raffle next door to introduce themselves as time goes on, but just want to reiterate our appreciation to our nation --

I mean, my nation, Muscogee Creek Nation for allowing us
to have this consultation here in Muscogee Creek territory. And I also want to thank NTGCR, Chairman Hummingbird and NTGCR's board for allowing us to schedule this consultation in conjunction with NTGCR. I also want to thank NIGA's subcommittee. I appreciate the hard work everyone does on that committee.

So before hearing from Mr. Waldo regarding some general background, much of which you are all familiar with -- and Chairman Stephens, I just thanked NIGA's
subcommittee and the important work that NIGA does and

honored to have you here as well. And so I don't know

if you want to introduce yourself. We all introduced

ourselves and the consultation is now concluded.

MR. STEPHENS: Okay. Thank you, sir. Do

you -- sure you want me to introduce myself? So, you

know, I -- I apologize. Set this bag down and my

coffee. And I literally have been going, but I know I'm
not the only one, but I did -- I never get to sleep on

the plane. I actually slept on the plane, so that's how
I recharge my battery.

So I just -- as far as the -- the only thing I really would like to do is, again, invite everybody to the NIGA trade show in beautiful San Diego on the 10th through the 14th. Did I say that enough today? I don't know, but for those of you who aren't registered,
there’s plenty of room for you to come to the trade shows.

I want to just on the -- on the subcommittee, I think we're working hard. Matt Morgan is here. He has been the leader in that -- in that initiative and the committee is -- what we put together is it's -- several of our principals are here, but you know, it's really about working together, but we work for the tribes and we really need to get this done. We really worked hard
on it.

The only part that I played as -- in appointing

that committee and relying on Matt and the rest of his

team's leadership is that we can get a substantive

product done and so that we can cross the Ts and dot the

Is and make sure we don't -- in the past, you know, we

have -- may have gotten into -- I'll just speak for

myself. When dealing with NIGC, I might get a little
bit more energetic than the average guy, you know, but

Jonodev is too much of a gentleman. I can't even get
mad at him, you know.

So but there’s not really much to fight about because we’re fighting for the same thing. And so what I’ve done is try to stay close to that so we stay focused on what we’re trying to do, which is preserve the tribe’s ability through economic development, and
this is key to us. So, again, I want to commend Matt Morgan and his leadership and we'll continue to bring a strong, hard working proactive message regarding the grandfather and any other issues related to Class II. This committee was not appointed by me. It was appointed by our board, board of directors for the National Indian Gaming Association and our regional representative, Commissioner Morgan, is charged with that and leading that and there's several other people
that are involved. But we're going to work hard and

we're going to be energetic at times, but we're going to

be respectful and we're pretty excited about the product

we've done, because we need to do this for the

betterment of these tribes that rely so much on this

Class II energy, not just relates to the grandfather,

but overall industry. We have to protect our rights

under this -- under Class II.
So that's -- that's pretty much -- and my name is Ernie Stephens and I'm an Oneida. I'm chairman and
1 chief spokesperson for the National Indian Gaming

2 Association, but most importantly, as soon as I'm done

3 here, I'm driving to -- what did she say -- it's four

4 ours north to Lawrence, Kansas and the 15th grandchild

5 was born yesterday. I heard it in the mass media.

6 CHAIRMAN CHAUDHURI: Thank you.
Congratulations, Chairman, and thank you so much for all the important work you do, and more important, NIGA does. I saw Ms. Debbie Thundercloud there so -- back there as well. Thank you for the work you do and the work you've done in the past as chair of your nation.

So with that, let me get to some final housekeeping matters. This consultation is scheduled to go until 5:30. As I often say, there is no crime in finishing early. This consultation may finish early if everybody
-- you know, if tribal leadership has had, you know,

every opportunity to be heard and there are no

additional comments or -- or concerns.

I do want to -- if Chairman Stephens can give a

plug out -- a plug for the NIGA conference, I do want to

encourage everyone here to encourage their peers and

consider attending themselves -- well, I want to

encourage everyone to attend our upcoming consultations.
The next one scheduled is for April 5th at Talking Stick Resort in Salt River Pima-Maricopa Indian Community.
Next one after that is April 12th to be held in conjunction with NIGA. Then we have another one April 13th to be held in conjunction with NIGA. Another one after that, April 20th in Billings, Montana, and the next one is May 4th to be held in conjunction with the Southern Gaming Summit in Biloxi, Mississippi.
And then, finally, we have an unscheduled consultation to be held the week of May 22nd at a date to be determined dependent on coordination with ATNI. Now, there's the -- the associated tribes -- affiliated -- Affiliated Tribes of Northwest Indians Conference, so we'll be scheduling that shortly. So with that, I'm going to turn it over. Again, many thanks to Muscogee Creek Nation and to NTGCR. We're going to hear from Mr. Travis Waldo to provide
some additional background information.

COMMISSIONER WALDO: Hello, everyone. Thank you again for being here this afternoon. Again, my name is Travis Waldo. I'm the director of technology for the National Indian Gaming Commission. The NIGC has an ongoing commitment with tribal leadership and tribal regulatory partners to balance the reasonable regulation of Indian gaming with the need to
24 avoid unnecessary or artificial roadblocks to economic development. The sunset provision of the grandfathered
Class II gaming system is an opportunity for all of us to understand whether grandfathered systems pose potential risks to be -- excuse me, to the integrity of Indian gaming and to consult on the appropriate solutions if needed. Development of Class II minimum technical standards
began in 2004 as a collaborative effort between the National Indian Gaming Commission, the tribes and manufacturers to mitigate certain risks believed to exist in the ever-advancing Class II gaming system technology. The NIGC initially implemented the technical standards in 2008. The technical standards provide that before Class II gaming systems may be placed on the floor and offered to the public for play, it must be
submitted to an independent gaming laboratory which would test the system against the technical standards. It was recognized by tribes, the industry, and NIGC that the implementation of the technical standards would cover financial costs to the gaming industry and to tribes. Of particular concern, however, was the potential financial burden on bringing gaming systems that had already been manufactured and/or put into play.
and compliant with applicable law in the absence of the technical standards into compliance with the new 2008
rule. Thus, to reduce that cost, the NIGC provided that
gaming systems manufactured prior to issuance of the
standards in 2008 could be certified to an alternate
minimum standard as grandfathered systems.
To be offered for play as a grandfathered system,
the tribal gaming regulatory authority was required to
submit the pre-2008 system to a testing laboratory for certification within a 120-day window after the 2008 technical standards were issued. All systems manufactured after 2008 would be required to meet full technical standards. The grandfathered systems were permitted to be continued -- excuse me, permitted to continue being offered for play during a five-year grandfathered period. By 2013, all grandfathered systems would be
required to be removed from operation. It was thought at that time that the natural mark and forces would cause new fully compliant systems to replace old grandfathered systems and that the looming sunset of the grandfathered period would otherwise incentivize the industry's transition to fully compliant systems. The technical standards further provided that grandfathered systems will be modified to become fully
compliant with those standards, and thus, would be removed from grandfathered status and continue to
operate after 2013. By 2012, however, it was clear that the industry would be unable to bring all Class II gaming systems into full compliance with the technical standards. Through consultation with its tribal partners, the NIGC extended the grandfathered period an additional
seven years to November 10th, 2018. In July of 2016,
recognizing that the NIGC and tribal regulators would
again have to deal with this issue, in keeping with our
efforts to ensure gaming integrity while avoiding
unnecessary roadblocks to tribal economic development,
the NIGC proactively reached out to tribes and vendors
to gather input -- excuse me, gathering input
information. Also, the NIGC staff (office of general
counsel and technology division) have been working with
the NIGA subcommittee on the grandfathering issue as well.

If we look at the technical standards, you can see that only 12 of the total 56 testable standards for 547 are required to be tested in order for a game to be a grandfathered system. Additionally, the technical standards provide that modifications to grandfathered systems, such as replacing the component, are not
required to meet fully compliant system standards so long as the modification maintains or advances the
grandfathered system's overall compliance.

We want to focus our risk analysis on the 44 technical standards that are not included as part of the grandfathered system. A grandfathered system that was manufactured before 2008 that remains in play today has had many of its original components replaced with
components manufactured after 2008. These new components were likely designed to meet fully compliant system standards, but are not required to be tested as such because they were installed in the grandfathered systems. Of the 44 technical standards that are not included as part of the grandfathered system, what is still outstanding and what risks, if any, remains with those outstanding areas?
16  The NIGC is interested in consulting on this topic, 

17  including but not limited to, obtaining, one, any 

18  information related to the steps tribes have taken to 

19  comply with grandfathering provisions and any 

20  difficulties in implementing those provisions; two, what 

21  risks, if any, the grandfathered games may pose to the 

22  gaming operation or the gaming public; and three, how 

23  those risks may be mitigated by means other than Part
Thank you.

CHAIRMAN CHAUDHURI: Thank you, Travis. So at
1. this point, we'll turn it over for comments, questions,

2. statements. However, we recognize that some individuals

3. may have planes to catch. If you are on a short

4. timeline, we'd like to move you up to the front of the

5. line. Is anybody in a position where they need to get a

6. statement on the record immediately?
CHAIRMAN CHAUDHURI: Okay. With that, we'll
just go in order of, I guess, hands, but I don't want
anybody to feel that everything that needs to be said
needs to be said today. The comment period goes through
the end of June and so we're going to be receiving
written and verbal comments through our consultation --
our actual consultations, but also in the mail, via
email.
If there are ideas or comments that anybody thinks of after today's consultation, I want to encourage everybody to submit those comments to us in writing, by email, but that said, I'll turn it over to Mr. Tom Cunningham, who's going to work with anybody who has a question or comment on the record. We -- as I said before, one of our fundamental principles is adherence to regulatory responsibilities,
while not stymieing the entrepreneurial spirit of tribes. So we want to hear about the efforts and
impact -- the efforts tribes have made to handle the

upcoming deadlines, but we also want to hear about the

risks involved, the presence or the lack of risks

involved given various options moving forward.

So with that, Mr. Cunningham, I'll leave it to you

to read the room. Thanks.
Mr. Chairman, I have a statement, if I may, would like to read this into the minutes. Thank you, Mr. Chaudhuri and the commissioners for scheduling this important consultation in Tulsa to meet with the tribal leaders, gaming regulators, tribal representatives concerning the Class II grandfathered gaming systems. Thank you for your hard work since I had last reached out to you last summer to request this type of a consultation for these
gaming systems.

This topic is an important -- is important to Oklahoma tribes because these grandfathered -- these grandfathered Class II gaming systems are among the most lucrative for many tribes, including the Miami, and it's what our patrons want to play.

As you're aware, Part 547 regulation allows certain Class II games that were manufactured before November
24 10, 2008, to continue in use until November 10, 2018, as
grandfathered gaming systems if they had been certified.
and meeting certain core requirements.

The Miami Tribe participating in the NIGC tribal advisory committee in 2011 did not support the premise that grandfathered systems create a risk to the industry and time has proven this to be true. There simply hasn't -- has been no incidents in the past 19 years to
substantiate concerns of risk or safety with these gaming systems.

In past consultations on this topic, tribes have asked NIGC to explain why the sunset provision is in place, and if it can't, to rescind it -- to rescind this rule. The NIGC, on the other hand, has asked the tribes to explain why the sunset provision should change or be stricken.

My reason -- my reason to request that the
grandfather provision be further extended or eliminated

altogether are as follows: Grandfathered gaming systems, include games that were the subject of hard fought victories in Indian country and served as the foundation for the entire Class II industry. Grandfathered gaming systems represent an investment by tribes and manufacturers and tens of millions of dollars.
24 In some remote locations, grandfathered systems are

25 the only ones that are economically viable since fully
compliant systems tend to be much more expensive. There

are no documented cases where grandfathered systems pose

any greater risk to a patron or tribal gaming operation

than fully compliant systems, and our gaming

commissioners who are the primary regulators in Indian

country, are on the floor every day supervising and
reviewing these games.

Many grandfathered game systems have a loyal customer base and are preferred over newer games that lack familiar look and feel that patrons expect. Again, these are the games our patrons want to play. There is great concern that vendors will not be able to upgrade systems at every tribal casino by November 2018, and the smaller tribes, like my tribe which rely on these gaming revenues will be hardest hit.
when these games must be shut off and replaced.

In addition, the same economic reasons that justify NIGC's extension of the sunset provision in 2012 are present today. The economic reasons were highlighted in the Oklahoma Tribal Gaming Regulators August 2012 letter to NIGC. In this letter, the OTGRA detailed the results of proprietary information from 20-member tribes to demonstrate the financial hardship these tribes would
24 suffer if grandfathered systems were removed. Total

25 projected losses and down time for removal of games
1 replaced with these grandfathered games and/or loss of

2 tribally-owned grandfathered boxes were projected to be

3 over $65 million. I believe the negative financial

4 impact would be the same today.

5 In addition, without these popular Class II gaming

6 systems in play, Oklahoma tribes would lose leverage in
compact negotiations with the state. I understand that

the commission did not draft Part 547 with the sunset provision citing the arbitrary date that triggered the end of play of safe and legal Class II gaming systems.

It is my hope, however, that the Commission will do the right thing and strike the sunset clause. Every Class II game on the floor of the Miami Tribe Casino is a vital, legal, Class II grandfathered system. These games bring valuable revenue to my tribe for my people.
16 It is my request that the sunset clause be stricken from

17 Part 547 so that lucrative games may remain in play

18 indefinitely.

19 CHAIRMAN CHAUDHURI: And thank you for that

20 statement, Chief. So we'll respond or engage as much as

21 possible. We value the two-way street that

22 consultations have been for NIGC. We've run ours

23 slightly differently than maybe other entities, but you
24 know, if -- if there's an opportunity to do that,

25 we'll -- we'll respond, but otherwise, we appreciate
having these statements entered in the record and we will consider all of these as we move forward. Thank you.

Well, I just saw one person back there take his glasses off getting ready to speak, so I know -- Dan's not looking over here, but any additional comments?
While we're sorting through whether or not we're going to comment, we do appreciate the materials NTGCR was discussing over the last couple of days regarding some of their analyses that they put forward. Thank you for that.

MS. LASH: Good afternoon. Thank you, Chairman, and commissioners for setting up this consultation today. It is very important to keep the lines of communication open. Along with my fellow
tribal leaders and regulators, this topic is very

important to the Absentee Shawnee Tribe.

During my time with the tribe and past history with our Class II gaming systems, we have not had any problems and our patrons have enjoyed the games. Today, I ask you to strike the sunset clause from Part 547 so that these lucrative games can stay in play and doesn't cause undue financial hardships on tribes.
And our comments -- this is very short -- that I had sent, but I am going to be sending longer comments.
to you at the end of June, so I wanted to express our

own concern with how it will affect the Absentee Shawnee

Tribe as we, too, are a small tribe here in Oklahoma

with the 4,000 -- little over 4,000 tribal members and

with two casinos that we have. And we are -- you know,

we're just a small tribe and many other tribes in our
area that have other bigger casinos that people like to

go to, but we do -- we are very concerned with this act

here, so thank you.

CHAIRMAN CHAUDHURI: And thank you so much for

that and the position is heard loud and clear. Thank

you.

MR. MORGAN: Chairman, my name is Matthew

Morgan from the Chickasaw Nation. Bring you greetings

from Governor and Lieutenant Governor Keel and my boss,
Secretary Lance. Today, though, I'm here on behalf of NIGA. I said -- represent the Eastern Oklahoma Region on the board of directors at NIGA and also chair its Class II subcommittee.

I know we've talked over the several months with your staff on an ongoing dialogue some of the undertakings of the committee and what it's up to. I just want to kinda update the group and also have that
in the record on some of the efforts that we've put forth, including, you know, a lot of our in-person and
in teleconference and a lot of our committee members are here today and I want to appreciate and thank them for attending and all of their info.

Just to highlight two points. One, you know, we've engaged the firm of Claus Robinson to conduct a survey. One of the things in discussion with a lot of our
stakeholders in the industry is there's a lot of

questions on exactly what is out there in terms of

grandfathering systems and grandfather units, what does

that look like and what kind of impact does that have on

Indian country.

We want to make sure we have a true estimate of

numbers, and through NIGA, you know, in its efforts and

we've reached out to tribal leadership to try to engage

them on that survey to make sure that we're able to
bring that forth to you. I don't have anything today

for you, but we are shooting for -- as NIGA's --

Chairman Stephens was talking about, NIGA's annual

meeting, we'll have preliminary results there to be able
to deliver to you at that consultation on what that

looks like and the impact throughout the country.

That's the first part of our efforts that we're doing on

this -- this particular subject.
Secondarily, Committee Member Hummingbird, in his position as chair of NTGCR, has worked to come up and
address one of your points that you've talked about a lot, risk. What is this risk that -- what we look like here? And I know that he's had some preliminary dialogues, but Jamie, if you would -- if you wouldn't mind, I'd like for him to kinda go a little bit further in depth to what that looks like from at least our
position, and then, you know, turn it over and let your
staff go through that as well to make sure that they
agree, and if not, we can have some further dialogue
down the road.

CHAIRMAN CHAUDHURI: Please. Thank you.

MR. HUMMINGBIRD: Thank you, Chairman Chaudhuri, not only for allowing me to speak today, but
for being patient with our conference that seem to have
inadvertently overlapped with the consultation.
Hopefully we are able to provide some additional attendees for your conference. We were hoping to get a lot of tribes in here to learn about -- more about what's going on particularly with the grandfathering Clause.

As you mentioned earlier, we have included in this year's conference a special track regarding Class II.

One of the key components of that discussion was the
grandfathering clause in the sunset provision. I have also been serving on the Class II subcommittee with
Chairman Morgan and others, and one of the things that we had talked about is taking a look at the Section 547 as a whole. How does -- how does 547, in and of itself, impact and play out within the gaming operations, particularly the regulatory field of it? And more specifically, we looked at the areas of risk that are
associated with these items contained in Section 547.

When we looked at it, we found that there were 56
testable standards that can be gleaned from Section 547.

And when we say testable, that means that an independent
testing lab such as GLI, BMM, Eclipse, any of the
testing labs out there can create a specific test from
the language that's contained within those standards.

There is language in there that will allow the labs to
design testing protocols and to measure the performance
of those items within the confines of Section 547.

The test labs can perform the tests on the manufacturer's products to ensure that it meets the minimum technical standards for grandfathering. And within those 56 standards, those standards can be condensed into three different levels of severity. If you are familiar with just general testing protocols, you have high, medium and low. And these labels are
24 based on the compliance risk to the operation and the

25 regulation of the Class II systems by the Local Tribal
1. Gaming Regulatory Authority.

2. The high level -- the high risk level, which are

3. those that pose significant compliance risk to the

4. operation and the regulation to Class II gaming systems,

5. those risks could provide the ability to cheat or

6. mislead a patron and possibly affect the following
items, which are integrity of the gaming software and/or database information and/or manipulation of the game outcome.

Medium risk items pose minimal compliance to the operation and regulation to Class II, because those are simply more associated with defects found during testing that do not affect the integrity of the game or the MICS requirements that must be tested or verified in the field that can't be tested or reproduced at the testing.
16 lab.

17 Low risk items pose little or no compliance risk to

18 the operation and the regulation of the Class II systems

19 and these defects are usually generally quality in

20 nature that pose no risk to the integrity of the game.

21 In looking down -- breaking down the standards of

22 those 56 testable standards that are mentioned, we broke

23 these down into different categories by section within
And I apologize, I do not have the handouts for you. Myself, hopefully they were delivered a little bit

So of those 56, according to the printout that we provided to you, you can see how those items break down.

I won't go through each one of them just for the sake of brevity, but each one of these items contained in the Section 547 have the standards that are measurable by
When you look at -- when we looked at the risks associated with each of those standards, we determined that there were -- 57 percent of those items fall into a high risk category, 40 percent into a medium risk, and the final three percent into a low risk category. Now, the Class II grandfathering testing covers 12 of the 28 items that are -- that were identified in your -- in your handout material and those are the high
risk standards contained within 547, but when you add in

the ancillary items within 547 that are affected

specifically by 547.5, you come to 26 of the 28 items

are covered by the grandfathered provision. And that is

simply to say, there is a portion of 547 that references

back to or is contingent upon another section that is

not within 547.5 where you find most of the breakdown in

the standards.
The testable sections that we looked at, the initial ones, 12 of those 28, around 50 percent of those
are high risk. There are four in accounting, two in critical events, one in money handling and currency, credit handling. The remaining items are being classified or have been classified as either low or medium-risk categories.

You test -- excuse me. You add in the additional
testable sections that I mentioned and now you've reached 26 of those 28, which is 93 percent of those high risk standards are covered by the provisions within the grandfathering section.

It is important to note and important to understand that these are just the testable portions of the games, things that are taken out of 547. These are not the end all of the protections that are afforded to our Class II systems. There are other items and other areas in which
16 Class II systems are protected, such as our internal

17 control standards.

18 A good example I believe would be the controls that

19 we have around machine access, that every tribe has some

20 sort of protocol by which a person, an authorized person

21 gains entry to a machine, whether it's for work on the

22 machine itself to troubleshoot an issue, there are

23 protocols in which tribes employ to make sure that that
activity does not interfere or in any way impact the game play or the game integrity. That includes the
financial integrity.

In addition to our internal controls, for my tribe and a number of tribes, there is a significant level of testing that is done prior to the release and installation of any of the games -- gaming systems within our properties. There is a stringent checklist.
and examinations that must be codified and verified before those machines are allowed for play. Thereafter, periodic audits are conducted. Some are done on a semiannual basis. Others are done on an annual basis. In addition to that, any activity, anything happening with the machines is captured under video surveillance as well as online accounting and monitoring systems. If there are any unscheduled or unsanctioned accesses to those machines, alerts go through to a
surveillance system most usually to alert individuals there that access has been gained.

If there are any other concerns, other personnel are dispatched from operations and/or the gaming commission to identify exactly what is going on with the machines.

I say those things to underscore the fact that the grandfathering provisions I believe have -- have met
their intent and -- which was to really safeguard the integrity of the game, its operation and its financial
And as was mentioned earlier, no instance has been uncovered where any of the games have been compromised or any of the integrity has come into question for these games.

So with that, I will entertain any questions from the NIGC or anyone.
CHAIRMAN CHAUDHURI: Very much appreciate this analysis, Chairman. You know, as we've all discussed in this community in past forum, past venues, the risk part of the discussion is important to us because, as regulators, we have the responsibility to ensure the integrity of the industry.

At the same time, we want to avoid unnecessary roadblocks, so we -- unnecessary roadblocks to tribal economic development, and so we appreciate the balancing
of the economic impact with -- with the risk analysis.

This risk analysis is very helpful and I believe our ongoing discussions and dialogue have focused on risk aspect and I appreciate the work that has been pursued by NTGCR, the NIGA subcommittee, and all the regulators and tribal leaders who participate in those efforts.

Many, many thanks.

So the only question I have is -- let's see. Is
this -- this is the overview. Is there going to be a report that's ultimately produced from all this?
MR. HUMMINGBIRD: I believe additional details can be provided. Those are items that I think would help provide clear examples of some of the risk-based assessments that were done leading to how those assessments were made to help provide a deeper understanding, but yes, we can provide another document.
in the future for you.

CHAIRMAN CHAUDHURI: This is greatly appreciated. I don't know if my fellow commissioners want to add to that, but thank you so much, Chairman.

MR. HUMMINGBIRD: Thank you, Mr. Chairman, and thank you Vice Chairman Isom-Clause and Commissioner Simermeyer, thank you for being here.

MS. COLLIER: Exercise today. Good afternoon, Chairman, Vice Chairman, committee member. Ditto what
16 all these -- I'm Barbara Kaiser Collier with Quapaw Tribal Gaming Agency, and you have already received our comments from our business committee signed by Chairman John Berrey and myself in a joint effort to send our formal comments to you concerning this 547 issue.

21 I want to go down a little bit different avenue while I have you -- your attention. The sunset portion of this grandfather clause is a problem. It is an
issue, and I'm sure you've heard that many times. It is

not that we do not want to meet the grandfather issue
with 547 machines. We will be glad to do that, but we are looking at it as we have gotten the corrective measures, I guess you might say, from vendors or from one vendor and not from others that we have machines on the floor that had this issue. It's going to be a timeframe issue. Now that the
fix, as you might call it, is made available, it will be

an issue for us as even the small tribe that we are or a

medium-sized tribe, I guess you might say, with several

machines that we have at our large casino that will need

this done to them. It will damage the revenue and the

impending revenue of our small casino immensely.

To go in, to take the time that we have been made

knowledgeable of, approximately 10 minutes or 15 minutes

to -- at the machine, but then the software will take an
additional hour or so. So when you take that times all

of the machines that need to be upgraded to meet this
demand, that's a long while. And at a small casino like

Ms. -- missus over here brought to our attention, it

will be effective. It will make a negative effect for

us.

Also, I don't know, you know, when these -- none of

you were there when these regulations were written and
we realize that, but regulations need to be written with

the efforts and the information that's derived to write
them from frontline people. Frontline people that we have at our casino, compliance agents that are there daily seeing the machines, knowing the intricacies of how they work, knowing the intricacies of putting the software in, taking it out, unlocking the door, putting the locks on the doors, the software, talking to the
server, knowing all of those things.

Those frontline people should be the ones that are asked about rules and regulations and how safe they are and if they're in place and how they work and the intricacies of those. Maybe those forerunners did that.

I don't know. I have not been told. If so, maybe they needed to look into it a little bit more, would be what my opinion would be.

I've been with my tribe 30-plus years and this is
what it's about for me. I don't know if I can even talk

about it. It's about my people. It's about what

this -- it is about the money. It is about impeding the

income of the tribe.

When I started to work for my tribe, we had no

money. In 1974, we had a grant of $25,000 and that paid

everything. So from that two employees to now, over

1,400 employees, I think that we realize what we need to
do and what’s best for our tribe. And just like Jamie

was giving you the information, the facts and the
figures, that's what we know. We already know those things. We already know that these machines have been there for the duration, and we're willing to do what you're asking. We just don't believe we can do it in the timeframe that you're asking us to do it, which is going to impede the progress of our tribe.
And our tribe now has insurance for every tribal member, education money, social services, emergency funding, housing, police, fire, tribal court, all of these things that we have worked hard to get, but we can't do that if we don't have the funding and we're looking into a new future for some. We don't know.

It's unknown.

There's already rumors of budget cuts and program cuts and things from the federal level and our state.
16 Oh, yeah, we have our state. We're in debt over eight

17 hundred and thirty-some thousand dollar shortfall --

18 millions, I mean, not thousands. So are we going to get

19 assistance from our state? No, probably not.

20 We can't even get a stoplight at the end of the

21 turnpike for safety of everyone, and that sounds funny,

22 but that's the truth. I stand in line to get off that

23 turnpike every day timely. Takes a lot of time, because
there's no turn lane. Well, the state can't put it in

because they're poor.
But anyway, I could go on and on and on about the reasons, but my people are what's important to me and my gaming and my regulation and that's why I do what I do, because of my people, and this is what's going to be better for them. If you can help us continue to help them, because whether we like it or not, everyone has to
have money and it's usually about the money. We don't

like for it to be that way, but that's the way it is and

we all know that. We have to have incomes and -- to

survive, but I want my people to survive the best they

can, the best way we can.

So that's why I'm asking you to please rescind or

extend or whatever needs to be or whatever you can do to

make this workable for all of us. Thank you very much.

CHAIRMAN CHAUDHURI: And thank you. Thank
you, Ms. Collier.

MR. BURRIS: Chairman -- Mr. Chairman, Tracy

Burris. Just a couple of comments. Boy, that's hard to

follow Barbara. Dang, I was trying to get before her.

No, couple things and I'm -- Class II is near and dear

to my heart and you know that. And one of the things I

want to say, because I haven't been involved, but I know

that Matthew on behalf of NIGA's committee and what
Jamie is doing at NTGRC, they are going forward and bring great comments and thoughts, but two things I want
to say, because I was in this battle a long time ago.

In the center Report 555 when we all talk about

maximum flexibility, it was always -- it's been

perceived and continues to be perceived as moving

forward. Yes, it was, but it also was that we dealt

with the technology that we had at the time. This is
that technology. It can't be swept under the carpet or be left behind. And I realize the risks or the threats to safety and all that, and we can make that argument about everything that we do and we can over regulate ourselves on that.

But by the same token, the very thing that -- and Barbara just touched it, but she didn't say it enough, and this is the one point I want to make, I've always said this, if my insurance provider, a third party is
willing to take that risk and carry my policy, which

they don't bring any major risk or otherwise -- if it's

unfeasible to have those games in the facility because

of a potential tort claim, then that's one factor that

would drive it completely.

I don't want to say that they don't do good for

anyone, but the fact of it is, if my insurance provider

isn't there to help me, I'm not going to probably do it.
24 So that's an outside party, and my point would be, not

25 what all these good people are saying, and it's truth
and has a lot of merit and valid, but the fact that a
third party will help drive this, too, should help the
agency and the commissioners to help hopefully move
forward in this decision process.

So that's all I want to emphasize to you and I'll
provide further comments on that. Thank you.
CHAIRMAN CHAUDHURI: Thank you, Mr. Burris.

MR. YORK: My name is Buddy York. I'm the gaming commissioner for the Muscogee Creek Nation and I want to thank you for this opportunity, Mr. Chairman.

One of the things I wanted to explain is the Tulsa facility, the one you're in now, it's not going to be that big of an issue here, I don't think. There will be a time issue, but not nothing that we can't do if we put our minds to it.
We have four or five facilities that are out in rural areas and I believe that's another area that you're having consultation now about economic development in rural areas, and we are probably one of the biggest employers in three of those small towns, you know. So everything that happens there affects the whole community.

And one of the things that we have to understand,
which my background is in rural community casinos, if

the wrong basketball team loses, our income could go
down 10 percent. You know, everybody is that closely intertwined and everything, but they also know that any time something changes on one of those machines, every person in that casino knows it and they -- you know, that's an issue for them. It's -- it will hurt our business for a small time,
but when you're talking about small casinos, there's not a lot of income. These casinos are there for employment opportunities. They're not there particularly to make money for the tribe. If we close those down, the people would come to Tulsa. We'd still get their income, but that employment would leave that community and it would not be there any longer.

We also work with our communities on fire, our fire departments. We work with the police departments. We
work with the schools, and you know, these are things

that the larger casinos can't do, not out in these local areas. And so I think that since we are being a good community friend to all the communities that we have these casinos in, that you know, that's something that should be taken into consideration when we're looking at this. It's not that we can't change out the machines.

We can and it's -- but it's very difficult to determine
just how it would affect the income on those smaller casinos. That's basically all I had to say. Thank you
very much.

CHAIRMAN CHAUDHURI: Thank you, Mr. York.

MR. BURRIS: Mr. Chairman, one more thing and something that Buddy touched on. I'm in Southern California, so obviously we used to have Class II or they called it that, but what he said about the impact
of the -- the players knowing changes before we do,

golly, they know it better than we do sometimes.

But an example, the U.S. Games, if a game that's been around for 40 years, that's our biggest revenue generator in Southern California, and those machines, every now and then, they die out and we have to pull one because we can't get replacement parts and we can't even get a new one to make them any more and they go nuts,

but my point is, that machine has been around for over
40 years and still going.

My advice to the commission, if we want to be true about due diligence, maybe we should look at the other industries, commercial, outside, which we don't have access to. Maybe you have friends in places that can give you statistics on their data for machines that are in play and been around forever and I bet you if we look throughout these states, there are tons and tons of ones.
24 playing the same level or maybe -- maybe worse if that's

25 the word to use in this case, but I don't think they are
a threat, so it would be interesting within the Commission's connection with state agencies and other deals to find that information out to help come to a part of their decision making process. Thank you.

CHAIRMAN CHAUDHURI: And thank you,

Mr. Burris. I do want to add, independent -- I mean,
kind of as a spring board from previous discussions,

independent from our asked-for perspectives regarding risks internally, we've been looking at risks -- risk assessment as well.

MR. PRATT: Bruce Pratt from the Pawnee Nation. Just sitting here listening to this discussion,

what comes to mind is older doesn't mean obsolete. You know, as I get older, as my hair gets wider, I hope not,

you know. And another phrase that comes to mind, if
it's not broken, don't mess with it. Don't fix it.

Pawnee Nation is a smaller tribe. We -- we are small and we're probably one of the smallest casinos here in the State of Oklahoma, our three casinos. And, you know, these -- these kind of decisions have a big,

big impact upon our gaming revenue.

What's always difficult for, I think, us in general as Indian people and is -- it's always difficult when
we're forced to do anything. You know, I think

there's -- there's that resistance factor in all of us
that we tend not to like that, you know. And so

these -- these consultations are good. You know,

they're good at all of the levels at all the federal

agencies and different things.

You know, you have stated two or three times now

about NIGC's role in not being an unnecessary roadblock,
and so you know, in economic development, in tribal

nations, in gaming, and so you know, I know that here in

Oklahoma, I know in my tribe particularly, the Pawnee

Nation, that we -- we're a good neighbor, you know, in

our community and we're the biggest economic force in

our county and really we're about the only game in town,

you know, because Pawnee has been drying up.

And so our community, our -- outside of our Indian

community, but the total community is really invested in
what we do and how we do things. And it's important to us being a smaller tribe that gaming is a significant part of what we do and even the downturn in the oil industry here -- oil and gas industry here in Oklahoma has severely impacted us where we're at. We're also doing an expansion right now and that's really impacted us. And so everything is just -- it really -- it really can pile on, feels like piling on.
And, you know, my fear as a tribal leader, especially here in Oklahoma as has been stated is, you
know, I believe that -- that Indian nations here in

Oklahoma, the tribal -- the tribes, we -- we know best

how to distribute money, in our communities, locally,

you know, all these things that's been talked about, to

the schools, to the roads, to all of these

infrastructure that is so needed in our communities and
7 not being met by the federal or the state level, and the

8 Indian tribes, we drive that. We're the driving force

9 in that and we have that huge impact.

10 My fear is giving more money to the state, because

11 as was said, we're almost a billion dollars in debt here

12 in Oklahoma and we've been giving billions of dollars to

13 the State of Oklahoma, you know, in gaming revenue. It

14 also is just -- you know, for me, it's just like

15 terrible timing for us as Indian nations as we come into
compacts that are due up here in Oklahoma. It's like

we're -- one of our biggest sticks is being taken away.

And we've got a little bitty stick now and we don't need

a little bitty sticks. We need the big sticks in

protecting our sovereign rights as tribal nations.

And even on the federal side, you know, just so

many unknowns, so many unknowns, and I think that's what

we're looking at. That's what I see, state level,
24 national level, you know, all of these things.

25 We're trying to protect and trying to preserve what
we have and how we do things as Indian people and how we serve our tribal members, but not only our tribal members, but our community members. So these things impact us, you know, in an -- I'm speaking on behalf of the Pawnee Nation. It impacts us in a big way.

Class II gaming has really been good for Oklahoma,
really been great for Oklahoma, and I would just hate to lose that. It seems like we ought to be able, with all of the technology, all of the knowledge, all of the -- all of the things that -- that we have as far as the abilities to do things, it seems like we ought to be able to take care of something that's, to me, very important, you know, in this area, in our industry, in the gaming industry, and so -- and so I just wanted to voice that.
The Pawnee Nation will be presenting formal comments and things, but just wanted to say those things. Once again, I always appreciate consultation because you learn a lot. I like the back and forth and hopefully -- hopefully that there be a good resolution, an agreeable resolution to that.

Just remind you that we're all Indians. We're all Indians, and we've all been there, done that, and so
24 appreciate the opportunity to speak to you. Thank you.

25 CHAIRMAN CHAUDHURI: Thank you, sir.
MR. MATTHEWS: Thank you, Chairman, Vice,

Chairman, committee member. I'm going to ramble just a little bit. I served my "gaming commission" in 1982. I served with Barbara's father and our job basically was we stood there with a counter and counted the people that walked into our bingo hall, because we got paid a
dollar a person that came into the hall, and that was

basically what we did when we started out. That was our
gaming commission.

We've come a long ways. In 1990, when I was
elected chairman of the Quapaw Tribe, Barbara was my
tribal administrator. It was during that time we were
losing revenue because we weren't the only bingo hall in
town. There's a lot of other committees that --

communities that had started bingo. So we were losing
revenue and we were looking at ways to try and generate more.

We had some people bring in these games. I don't even remember the titles of them, but they were electronic pull tab machines and we had 12 of them -- wasn't it, Barbara? Was it 12 or 10?

MS. COLLIER: Twelve.

MR. MATTHEWS: It was 12 of them we brought in
24 on the floor. We had them on there for seven days until

25 the rest of my committee decided they wanted to pull
them off the floor, but in those seven days, those 12 machines generated more money for our hall than all of the bingo that we had. I mean, it was phenomenal --

MS. COLLIER: $32,000.

MR. MATTHEWS: Huh?

MS. COLLIER: Over $32,000.
MR. MATTHEWS: Over $32,000 we made in those seven days, but the business committee thought we were going to get in trouble, we couldn't do this because the NIGC was all brand new. It was when Tony was the chairman. We had already spoken to him and talked to him.

That was 1990. Okay. So since then, we've had leaps and bounds in technology. How many in here have the Lucky Tech games still on their floor? Anyone? Oh,
yeah, but you know that's the case that we won, Jess

Green took it to the Supreme Court. And guess what? We

don't play them anymore. You know why? Because they

died a natural death, and that's what these games will

do one day. They're going to wear out. They're going

to quit playing. Something is going to happen to

replace them.

There doesn't have to be an arbitrary date with a
24 sunset clause for a grandfathered game. I mean, we

25 drive cars around that are pre-smog controlled cars, but
there's not an arbitrary date that we have to take that '57 Chevy off the road just because it doesn't meet the standards of air quality. It's still going to be driven because it's a grandfathered car.

But that's what these -- what -- these units that we have on the floor, they're making money. Steve asked
me, he goes, "How many of these are out there?" I said,

"There's a lot, but people like them and they continue
to play them." It's like a television show. You may

have a favorite show on there. At some point, it gets

old and tired. The networks replace them. What

happens? Sometimes they replace it with another show

that people like and sometimes they replace it with one

they don't. That's what we do. As operators, we take

chances on new machines. Sometimes it works. Sometimes
it doesn't. But that's on the operators, not on the commissions, not on the regulators. They're not the ones choosing what goes on the floor. It's the operators. It's the people that run the operations. They're the ones that have to try and figure this out. So to pull these machines off the floor on an arbitrary date, why? They're meeting the risk standards right now. I don't -- we haven't heard anyone talk
about patrons wanting these games off the floor. We

haven't heard anyone say, "Those machines have cheated
"me." We haven't heard any operator say that the manufacturers have cheated us. So why do we want to do this?

That's why we, as the committee, are really trying hard to give you the documentation that you need, because that's who's going to have to make this
decision. It's not us. It's you, but we want to give

you the empirical data that you're going to need to

stand up before Congress and say here's the reason that

we're going to do away with this, because I believe

you'll have that at some point in time here in the

future, because we as operators, we want this to be a

strong and a regulated industry as much as you do, and

that's why we want to work together with you, unlike

some of the former chairman -- Tony, Bill -- who didn't
want to help us. I'm sorry. I said that.

But I'm just saying that, you know, we are here to

work with you, and that's -- that's really what it takes. Thank you.

CHAIRMAN CHAUDHURI: Thank you, sir. Thank

you.

MR. MATTHEWS: You bet.

MR. HUMMINGBIRD: Thank you, Mr. Chairman.
24  Jamie Hummingbird with Cherokee Nation again. I just

25  wanted to before -- I have to leave here very shortly,
but before we left, I just wanted to make a couple of

remarks based on a couple of things I heard throughout

this week of the sessions.

One -- one remark was made earlier this week about

tribes and where we have been placed historically when

we've been removed from our homelands and placed into
places like Oklahoma where people thought we would never want that land. Nobody wants that land.

Well, until there was oil found on our lands, then everybody wanted that land. When the Cherokees were in Georgia, nobody wanted that land until they found gold.

Then they wanted that land.

Same thing with IGRA in the sense that we have a document that's not a perfect document. It wasn't -- I don't think it was necessarily envisioned to be what it
is today, but what tribes have done historically is
taken the circumstances they've been given and making
the most out of them.

Here in Oklahoma, we have done just that. We have
looked at the provisions within the Indian Gaming
Regulatory Act. We've examined its contents, and over
the years, have successfully not only grown the
industry, but really defined the industry for Class II.
So it is in our tribal interest and our people --

interest of our people that we want to, just as JR
mentioned, make sure that what we offer up to the public

is something that we can stand up and say definitively

is in the public’s interest, because we are there to

maintain the integrity of that game. Without that

integrity, we have nothing.

We do not want to see the integrity of those games
compromised in the least. So when we are looking at this issue, when trying to find the best way to resolve it, I look forward to continuing our dialogue just because I think it's been a healthy dialogue. It's one that is going to provide us with a good pathway as we move forward with the resolution to this issue, and I want to thank the chairman and the NIGC staff members for being cooperative and listening to tribes and taking our comments and our recommendations and hopefully being
able to make very informed decisions that will benefit all tribes across the country. So thank you very much.

CHAIRMAN CHAUDHURI: Thank you. Well, we always say, going once, going twice, going three times.


MS. HOMER: Wasn't going to allow that to happen. Chairman, members of the NIGC and staff, I think this has been a wonderful dialogue and I really
24 appreciate it.

25 You know, back in the long ago olden days of the
NIGC when I was there -- Elizabeth Lohah Homer -- we really did try to reach out and have -- and engage in dialogue. We actually did kind of a form of negotiative rule making for most of the rules that we did during our term of the NIGC. And one of the rules that we started out with that was kind of laying on our desk when we
were first appointed was a game classification

This regulation, I guess the first phone calls I got and the first time anyone ever got in my face about an NIGC regulation was this game classification

regulation. And people were very, very upset about it,

and so we had a series of hearings on that and took testimony as to what the issues were with the game classification.
And part of it was the regulation allowed a role for state governments to play in classification of games, which was very objectionable. And we ultimately agreed that that was objectionable and we ultimately decided to withdraw that rule altogether, because it really -- it just didn't make sense for Indian country. It was taking some of the benefit of the Indian Gaming Regulatory Act that was specifically intended to
help tribes and taking that away, removing it. And so

we tossed that aside, and instead, we did the changes to
the Class II regulatory definitions to bring more clarity to the interpretation of what is Class II, what is Class III, what is a game similar to bingo, and what is an electromechanical facsimile, because we thought that was probably the answer to all of these questions. That's what the Court was telling us, was that the
NIGC’s definitions did not give the Court any real guidance. It was unhelpful to the Court.

And so that’s where we turned our attention to.

And then in the next administration, the Hogan administration, during Chairman Hogan’s tenure, they resurrected the game classification regulations and they got the same response that we had gotten. Everyone went insane. No, you can’t be doing this. You know, very upset throughout Indian country.
And then Chairman Hogan seized on the idea of these technical standards, that if the laboratories could test these and we could be convinced that the inside of this game is a bingo game, then we don't need classification regulations, and they ultimately proposed and threw away these classification regulations and their focus became on these -- on the technical standards. Now, these technical standards, and as I think
Barbara pointed out, none of you were there then, but I was and I will tell you this was a bitter, bitter
struggle. It was a big fight between Indian country and

the NIGC over these -- over these technical standards.

Big, giant -- big, giant arguments. It took, you know,

what is it, four years from 2004 to 2008, you know, to

finally get these regulations promulgated. All of that

was four years of hair pulling and screaming and
7 yelling. And everything finally got resolved between

8 the NIGC and the tribes, except one thing, and that is

9 this sunset provision.

10 Now, as a lawyer, and I'm a lawyer, one of the

11 things -- and I was also a fed, you know, I was a

12 government bureaucrat. And one of my pet peeves besides

13 an interpretation of law that deprives the tribes the

14 fullest benefit of that law, is a regulation that kind

15 of takes away the benefit of what the tribes are doing
16 economically, as is the case with this sunset provision.

17 The sunset -- you know, in -- and I don't want to

18 say in the real world, because we live in the real

19 world. Ours is the real world, but in the real world,

20 for lack of a better word, you either have a grandfather

21 or you have a sunset. We have a grandfather and a

22 sunset and that is illogical. That is legally

23 illogical.
If those games were safe enough and with sufficient integrity to allow them to be played first for five
years without any problems, several got extended for another five years, why now is there an urgency to take those systems out of play? It's not sustainable logically as a matter of law. There is no reason that we have been able to discern, that the NIGC has been able to produce for us nor we for the NIGC, of evidence,
real evidence, which is what if we had to go to court

over this we'd all have to have, we'd all have to have

some real evidence, but there is none that these games

are lacking in integrity or they blow up.

How many of you-all have heard of a Class II gaming

system blowing up? Electrocuting a patron? It hasn't

happened, and because it hasn't happened, I don't think

that you can logically say, leave these games in play

for 10 years and then, bam, then they have to go.
Because the reason for why they had to go in the first place doesn't exist. So it is not legally sustainable, you know, to take that next step and say, "Oh, well, it doesn't matter, we have that regulation and so we're just going to follow it." It has to make sense logically. And that's it for me. That's my two bits.

CHAIRMAN CHAUDHURI: Thank you, Ms. Homer.
COMMISSIONER SIMERMeyer: I don't want to disrupt the conversations, but I'll just maybe make a
comment myself about some of the comments that I've been hearing, and I appreciate those and I appreciate all the work that's gone into the preparation of this. So I want to say thank you again for everyone that's participating. But for me, a lot of the commenters have made
7 points that have resonated with me. Particularly some

8 of the points about being part of the regulatory

9 community and the responsibility we have to -- to our --

10 to protection of our reputation and maintaining the role

11 that we play. I think a lot of that begins with some of

12 the comments that were made with relying on this

13 additional knowledge and looking at sort of frontline

14 perspectives, so it's good to hear that and appreciate

15 hearing that.
Another point for me that has resonated is some of the comments that -- from a federal decision making perspective. You know, while there's value to standardization that brings, some of the comments that were made and a one size fits all policy can be very challenging, but one of the things that my approach to the role that I have to play that is important is being diplomatic with the role we play and so a lot of
the comments have been made about how individual

perspectives, the vision that tribes have for developing
their own approach to how they are going to partner, for

how they are going to grow, for how they're going to

meet the needs of their citizens is also what we're for

here, too. So I just wanted to make those comments now.

CHAIRMAN CHAUDHURI: Thank you. Thank you,

Commissioner. So that's actually a perfect segue.
Again, want everybody to feel that there's been a full opportunity to speak their mind today, but I don't want anybody to feel that this is the only opportunity.

There is -- there are other consultations that I encourage others to -- all of you to attend, but also there's a written comment process that I encourage folks to take advantage of as well.

But it's a perfect segue, Commissioner, to kind of some closing thoughts, but I do want to make sure that
there are no other tribal leaders or representatives

that wish to make a comment on the record before we close out. Going once. Going twice.

So, Vice Chair, if there's some closing comments that you'd like to make?

COMMISSIONER ISOM-CLAUSE: Thank you. I'd like to echo what Commissioner Simermeyer just said. In full agreement with that. And thank you all for the
24 comments you’ve given us here today. You know, as you

25 know, we have to deal with the status quo. We didn’t
make these regulations, but this is what they are. And

in order to, you know, make any changes or make any
decisions at all, we need a record. And what you’ve all

provided today has been really helpful in helping us

look at this issue and provide reasons for the various

approaches that have been suggested here today, which I
don’t think anyone supports the regulation. So I don’t

guess we have that option presented today, but I do

really appreciate the thoughtful approach that everyone

has taken in terms of looking at this issue from many

different sides so that gives us a lot of information to

consider when we make our decision.

And I also think that, you know, our interests are

aligned here. We all want a strong industry and we all

want effective regulation and that’s the way we go into
our decision making, I believe, and that's what you do every day for your industries as well and for your people. I think that's how we're going to move forward with this process, so thank you.

CHAIRMAN CHAUDHURI: Anything you'd like to add, Commissioner?

COMMISSIONER SIMERMeyer: Just this, if we're in a period here of closing, I want to, again, reiterate
thanks for everyone's time and I value -- and

appreciation for my colleagues, too, and the value that
I think we all have for the consultation process. It's both an important part of -- the process has been an important part of this and I appreciate and want to compliment the NIGC folks and Indian country for engaging and developing a process that I think is going to give us a way to move forward in the best way and
where we come out on a lot of this discussion, so thank you.

CHAIRMAN CHAUDHURI. And just to echo that, I really want to thank our team at NIGC. I know the work that all -- all of us do is in spirit with doing whatever we can day in and day out to support our mission, and we're honored to work at an agency with a very unique mission, and that is to support tribal self sufficiency, tribal economic development, and strong
tribal government.

So I'm very thankful to be part of the larger NIGC team. I think -- well, speaking for myself, but I have a feeling this goes for all of us, there's certainly no urgency to -- to make dramatic, drastic regulatory -- or to take dramatic, drastic regulatory actions. We strive at NIGC to be forward looking and that's one thing I'm very proud of. When we looked at some of the provisions
that were on the books that were written with deadlines

in place, we looked to the future and said, what can we
do to hear from our partners in Indian country, the primary regulators of Indian gaming, that's tribal regulators, to address what's coming down the pike. Recognizing that regardless of whether we stick our heads in the sand or not, time happens, and 2018 is around the corner. So I can't take any credit for
thinking about discussions that we need to advance and

with respect to changes coming down the pike or

deadlines coming down the pike. I really admire and

appreciate our team who, you know, in conjunction with

all of our internal discussions said, you know, this is

something we really should talk about with our partners.

So there is no urgency on our part to take dramatic

action. We're trying to be forward looking and we're

trying to work in unison with our partners and our
colleagues and I appreciate all the goodwill and the

time that you've -- the -- all the goodwill that you've

shown and the time you've taken today to help us think

through reasonable options as we try to perform our
duties while not inhibiting the entrepreneurial spirit

of tribes.

So with that, blessings to you. Safe travels and

mvto. Hopefully you can attend tomorrow's consultations
as well. Thank you.

UNIDENTIFIED SPEAKER: What time?
CHAIRMAN CHAUDHURI: 8:30 in the morning in this room, and there’s a whole series of -- I think there’s seven topics or eight topics --

THE COMMISSIONERS: Six.

CHAIRMAN CHAUDHURI: Six. Six topics that we'll be discussing, so that's a much longer
consultation and we'll try and take a break in the middle of it for a water break, but thank you for your time today. Mvto.

(End of consultation.)
CERTIFICATE

I, Shannon S. Harwood, CSR do hereby certify that on March 23, 2014, at 3:41 p.m. at the River Spirit Casino, 8330 Riverside Parkway, Tulsa, Oklahoma, there came before me tribal consultation; and that the
foregoing pages constitute a full, true, and correct transcript of the tribal consultation on the date as indicated.

I do further certify that I am not counsel, attorney, or relative of either party, or otherwise interested in the event of this suit.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this 29th day of March, 2017.