

20 July 2017

Jonodev Chaudhuri, Chairman
National Indian Gaming Commission
1849 C Street NW
Mail Stop #1621
Washington, D.C. 20240

Re: Comments on 25 C.F.R. Part 547.5 Discussion Draft

Chairman Chaudhuri:

I am writing on behalf of the Cherokee Nation Gaming Commission (CNGC) to provide comments on the "25 C.F.R. Part 547.5 Discussion Draft" offered by the National Indian Gaming Commission (NIGC) on 14 June 2017. Overall, the CNGC is pleased with the efforts undertaken by the NIGC in revising the technical standards for Class II gaming systems to do away with the artificial constraints currently placed on one of the key components of the tribal gaming industry.

The CNGC has carefully considered the changes proposed in the Discussion Draft and believes, with the few minor alterations outlined below, they represent a viable approach toward the continued protection of the Class II gaming industry.

Removal of the "Sunset" provision

The CNGC appreciates the NIGC's work to streamline the requirements contained within Section 547.5 and further applauds the decision to remove the artificial barrier created by the sunset provision. Prior to the adoption of the sunset provision, and in the decade of operation since, the Cherokee Nation has not experienced a single compliance issue related to game play or game integrity associated with any grandfathered Class II gaming system.

By eliminating the sunset provision, the NIGC has relieved all Class II gaming tribes of the considerable financial burden and negative economic impact that would have been associated with the removal of grandfathered systems. In doing so, the NIGC has

helped tribes retain millions of dollars that can be used for the benefits of our tribal members.

The CNGC keeps a watchful eye on all activities surrounding Class II systems to ensure any changes made to such systems further implement the standards contained in the technical standards so that the systems' securities remain robust.

Annual Systems Testing & Reporting

The provision contained in Section 547.5 (a)(2)(iii) presents a challenge for the CNGC in that it would require the CNGC to dramatically increase its testing efforts without the assurance of receiving any added benefit. As mentioned earlier, the CNGC closely reviews all activities associated with approved Class II gaming systems, including evaluating each Class II gaming system, whether an initial submission or a modification, and associated independent test laboratory certification letters prior to installation in Cherokee gaming facilities. Thereafter, the CNGC annually performs the industry standard review by comparing 10% of its Class II systems and components to the certification letters and to CNGC records for system approvals.

Similarly, the annual reporting requirement creates an unnecessary administrative obligation on the CNGC (and all tribal gaming regulators) and the NIGC alike. In addition to the above, the record keeping requirements contained in other portions of Section 547, as well as provisions of the Minimum Internal Control Standards, aid the CNGC in demonstrating each gaming systems' compliance with the technical standards. The entirety of information collected and maintained by the CNGC is available to the NIGC upon request.

Privacy Protection Concerns

The CNGC understands the NIGC will strive to protect any information submitted under Section 547.5 (a)(2)(iii), if unchanged; however, this information is proprietary to tribes and is not subject to mandatory disclosure to third parties. Although the NIGC intends to restrict access to this information, presumably in the same manner that annual

financial audit information is protected, the potential release of any confidential tribal gaming data without tribal consent remains a concern.

The CNGC hopes these comments will assist the NIGC as it considers the future of the Class II gaming technical standards. Should you have any questions, please contact Jamie Hummingbird, Cherokee Nation Gaming Commission Director, at either 918.207.3848 or via e-mail at jhummingbird@cherokee.org.

Respectfully,



John Sparks
Chairman