

[tribal letterhead]

January \_\_, 2011

Ms. Tracie Stevens, Chairwoman  
National Indian Gaming Commission  
1441 L. St. N.W., Suite 9100  
Washington, D.C. 20005

Re: Comments on the Revision of Existing Gaming Regulations and Promulgating New Regulations

Dear Chairwoman Stevens:

Thank you very much for your efforts to consult with tribes and discuss our thoughts and priorities for revising existing gaming regulations and promulgating new regulations. As you are aware, it is very important that both tribes and the governmental agencies that they work with on a daily basis have established and working relationships. That is why we were both pleased to receive your Notice of Inquiry to consultation and to attend the consultation scheduled for San Diego, California.

Set forth below are our comments concerning both revising existing regulations and promulgating new regulations. We address each item believed by the Tribe to be of utmost importance, however, it should be noted that our Tribe believes that on-going and meaningful dialog with the National Indian Gaming Commission is the only true means of achieving our mutual and compatible goals, NIGC's goal of regulation and compliance and our goal of economic development and prosperity for our people.

**Revising Existing Regulations or Promulgating New Regulations-Need for Additional Transparency and Collaboration**

In general, revising or promulgating new regulation requires great care, reflection and evaluation. Most importantly though, regulations should be implemented based ultimately upon actual necessity. Recently the NIGC embarked on a lengthy, costly and ultimately futile effort to promulgate regulations directed at drawing a "bright line" between Class II and Class III gaming. The justification(s) for the revisions were also, in our eyes, woefully inadequate. Moreover, the consultations held concerning the regulations, as recounted by many, lacked substance and were less than meaningful. Moving forward, prior to embarking on regulatory revision or promulgation the NIGC should take great strides to first evaluate the necessity for the revised or new regulation and communicate that need in a more deliberate and focused manner. Likewise,

NIGC rule making requires increased transparency and collaboration between the tribes and stakeholders who will ultimately be impacted by the revised of newly promulgated regulation.

### **Revising Existing Regulations**

#### **Part 542 Minimum Internal Control Standards for Class II Games.**

We support NIGC's continued provision of recommendations for Class III Minimum Internal Control Standards (MICS). In the absence of a NIGC issued standard, that many if not all Tribes have already adopted or incorporated, Tribes will be subject to a plethora of state imposed MICS, creating confusion. Both the NIGC and Tribes have the experience and expertise to best understand regulations effect and cost to implement, positive and negative, on gaming facility operations. Additionally, it is of utmost importance that tribes participate in the discussions concerning MICS revisions and we would very much support a TAC or working group undertake the revisions to Part 542 for future distribution.

#### **Part 543 Minimum Internal Control Standards for Class II Games**

We believe that updating Part 543 is a priority. A review of the regulation demonstrates that it is incomplete and poses compliance issues. We would strongly support the convening of a TAC or a collaborative working group to both review and draft proposed revisions to Part 543 for future distribution.

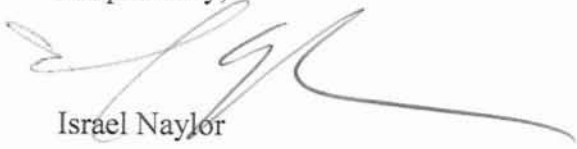
### **Promulgating New Regulations**

#### **Tribal Advisory Committees**

We strongly support the NIGC's formation and use of Tribal Advisory Committees (TAC's). We do not, however, believe promulgation of a regulation is required in order for the NIGC to utilize TAC's as an evaluative tool. TAC's, utilized effectively, have proven to be a valuable asset with regards to identifying specific concerns with regulatory issues and to the development of effective regulation. Moreover, TAC's implemented under a regulation could become unduly burdensome, even beaurocratic, defeating and possibly delaying the usefulness and purpose of a TAC. We believe that the NIGC should utilize TAC's on a "case by case" basis, for those regulations that contemplate a shift in long standing regulatory policy or those matters that require deep discussion, reflection and analysis. We also recommend that the majority composition of a TAC be reflective of the stakeholders most impacted by a specific regulation. Committee selection should reflect a cross section of stakeholders and interested parties, not too large or to small, to heighten TAC participation and effectiveness.

In closing, we would like to thank you for allowing us to participate in the consultative process, including the opportunity to discuss and contemplate our concerns.

Respectfully,

A handwritten signature in black ink, appearing to read 'Israel Naylor', with a long horizontal flourish extending to the right.

Israel Naylor

Chairman, Ft. Independent Indian Community