

**Transcript**  
**Media Teleconference**  
**2012 Gross Gaming Revenues**  
July 23, 2013

**Operator:** Welcome and thank you for standing by at this time all participants are in a listen only mode until the question and answer session. At that time if you would like to ask a question over the phone you may do so by pressing \*1. To withdraw your request, you may press \*2. I would like to turn the call over to Mr. Michael Odle where you may begin.

Michael Odle: Great! Thank you very much and a very good morning or afternoon depending on where you are located at in the United States.

Thank you for joining the National Indian Gaming Commission's media teleconference regarding Indian Gaming's 2012 Gross Gaming Revenues.

I'm Michael Odle (O.D.L.E) – Director of Public Affairs for the NIGC.

Thank you for being here today.

We will begin today's media teleconference with remarks from NIGC Chairwoman Tracie Stevens (T.R.A.C.I.E and Stevens, common spelling) on the economic encouragement of the 2012 gross gaming revenues and the third consecutive year of growth since the recession that began in 2008.

Following Chairwoman Stevens, Associate Commissioner Dan Little (common spelling), will highlight the agency's work with tribes over the last three years, to introduce 21<sup>st</sup> century regulations for a 21<sup>st</sup> century industry.

Finally, Director of Finance Yvonne Lee (That's Y.V.O.N.N.E., Lee common spelling), will walk through the specifics of the data.

May I direct you our website at [www.nigc.gov](http://www.nigc.gov) and click on the media tab immediately following this teleconference, a news release, charts and graphics will be available for download. Additionally, the correct spelling of speakers name and official titles are provided for your convenience.

Following the remarks, we will be available for 10 minutes to answer questions.

I ask that you please keep your questions within the subject area – of Gross Gaming Revenues.

Please note all comments are on the record.

Toward the end of the 10 minutes, I will indicate how many more questions we have time for. As mentioned earlier, to queue up for a questions, press \*1.

In order to ensure that as many of you as possible have the opportunity to ask questions, please limit yourself to one question and one follow-up and we have time remaining at the end, we will go back around for additional questions..

When the operator opens the Q&A portion, she will state your name and your affiliation for the record. Please if you would direct your question to an individual that is on the teleconference that will be greatly appreciated.

If you still have questions or follow-up, you can reach the Division of Public Affairs at 202-632-1599. That's, 202-632-1599. I'll provide that number again at the end of the teleconference.

Ladies and Gentleman, Chairwoman Tracie Stevens.

**Chairwoman Tracie Stevens:** Thank you Michael. Good afternoon or morning everyone. I want to begin by thanking all of you for joining us today. Hello. My name is Tracie Stevens, and I am a member of the Tulalip Tribes of Washington, and Chairwoman of the National Indian Gaming Commission.

The 2012 Indian gaming industry's gross gaming revenues of \$27.9 billion dollars indicate a strong and mature Indian gaming industry. This is the third consecutive year of financial growth. Additionally, gross gaming revenue in 2012 reached its highest level in history, ahead of 2011's gross gaming revenues by \$746 million.

For those who judge casino spending as an indicator of increased discretionary spending and economic recovery, 2012 revenues certainly display economic encouragement.

When compared with figures from 2011, the gross gaming revenues rose nearly three percent and since 2009, the gross gaming revenues are trending positively. Indian gaming markets across the country are experiencing improved economic conditions. Continuing the trend from 2011, all seven NIGC regions experienced growth in 2012.

The largest increase in gross gaming revenue occurred within our St. Paul Region, which consists of 120 gaming operations across nine Great Plains states. The Tulsa Region, which includes 64 gaming operations in Kansas and eastern Oklahoma, had the largest percentage increase.

Continued growth in Indian gaming is attributed to the expansion of a number of Indian gaming operations, increased patronage due to the upturn in the economy, an increasingly mature Indian gaming industry and much needed regulatory reform to meet the needs of the changing industry.

Gross gaming revenues go toward improving reservation communities, including tribal government operations, promotion of the welfare of the tribe and its citizens, economic development, support of charitable organizations, and compensation to local governments for support of services provided by those entities.

I'd now like to turn the phone over to Associate Commissioner Dan Little for additional Remarks.

**Associate Commissioner Dan Little:** Thank you Chairwoman Stevens. My name is Dan Little, and I am the Associate Commissioner here at the NIGC. This economic data is indeed encouraging.

As Chairwoman Stevens briefly mentioned, the Indian Gaming market has continued its positive growth in part because of regulatory reviews and the implementation of Indian gaming regulations.

The Commission believes our responsibility as the federal branch of Indian gaming's three-tiered regulatory framework is, first and foremost, to assist tribes in complying with the Indian Gaming Regulatory Act and NIGC regulations.

Over the last three years, the NIGC has focused on developing 21<sup>st</sup> century regulations by which it carries out its federally mandated duties under the Indian Gaming Regulatory Act. Since 2010, We have considered 20 regulations or potential regulations with 17 of those being adopted and implemented.

Our regulatory review has provided much needed reform to meet the needs of the changing Indian gaming industry and to provide flexibility, consistency and certainty for tribes and tribal regulators.

The purpose of the Commission is to implement the Indian Gaming Regulatory Act and to protect Indian gaming as a means to promote tribal economic development, self-sufficiency, and strong tribal governments. Indian gaming revenues provide a means to stimulate tribal economies, create great jobs, and, strengthen tribal education and healthcare systems.

Next, I will turn it over to the NIGC Director of Finance Yvonne Lee to provide additional data on Gross Gaming Revenues. Yvonne.

**Yvonne Lee:** Thank you, Commissioner Little.

Hello, I'm Yvonne Lee, Director of Finance for the NIGC.

First, it is important to note, gross gaming revenue or GGR is the amount wagered minus the winnings returned to players. GGR is the figure used to determine what a casino or other gaming operation earns before salaries, compact fees, and other expenses are paid—the equivalent of "sales," not "profit." Gross gaming revenues should in no way be interpreted as profit margin. These are revenues earned before paying other expenses.

The 2012 GGR is calculated based on 425 independently audited financial statements received by 234 tribes.

The Indian gaming industry as a whole has showed continuous growth in the past ten years, except during 2008-2009 when the entire global economy receded. Since 2010, the Indian gaming industry has been experiencing approximately 3 percent annual growth.

Small and moderate gaming operations make up 56 percent of Indian gaming. Of the 425 operations, 237 operations are considered small or mid-sized operations.

The following are 2012 growth rates over 2011 by NIGC Region. All 7 NIGC regions saw increases in 2012. Important to note, each region is unique in terms of number of facilities, population and tribes. For complete details, go to our website at [www.nigc.gov](http://www.nigc.gov) and click the MEDIA tab.

- Our Portland Region, which is the Pacific Northwest, saw a 4% growth rate over 2011;
- Sacramento Region, which includes California and Northern Nevada, saw a 0.8% growth rate;
- Phoenix Region, which covers the Southwest, saw a 3.9% growth rate;
- St. Paul Region, which encompasses 9 Great Plains states, saw a 5.1% growth rate;
- Tulsa Region, which includes Kansas and eastern Oklahoma, saw a 6.6% growth rate;
- Oklahoma Region, which includes Texas and western Oklahoma, saw a 5.8% growth rate over 2011;
- And our Washington, DC Region, which includes 4 Gulf states and 3 eastern states, saw a 0.4% growth rate.

The NIGC's GGR release provides the most comprehensive look at the revenues of the Indian gaming industry each year. GGR also provides a regional view of revenues figures.

I'll now turn it back over to Michael.

**Michael Odle:** Wonderful and thank you all very much. Again questions press star 1 and in order to assure that as many of you as possible have an opportunity to ask questions. Please limit yourself to one question and one follow up and if time remains at the end of our 10 minutes we will come back around for questions again.

**Operator:** Thank you. One moment please while we wait for our first question. One second, its star 1 for your question. Once again for any questions press star1 for your questions.

**Michael Odle:** Alright, being though there are no questions, I have a few closing remarks. Michelle are you there?

**Operator:** Yes Sir! We have no questions.

**Michael Odle:** Alright, wonderful. For those of you on the phone, thank you very much for joining us this morning or afternoon for the teleconference. Let me remind you a news release, charts and graphics are available online at [www.nigc.gov](http://www.nigc.gov). If you would click on the media tab, they will be available and posted by 1:30 today Pacific Time I mean Eastern Daylight Time which is in approximately 14 minutes. A recording of this call will also be available on our website beginning 3 p.m. astern Daylight Time. If you have any follow up questions, you may direct those questions to the division of Public Affairs at 202 632-1599. On behalf of the National Indian Gaming Commission again thank you for joining us on today's media teleconference and enjoy the rest of your day.