Quinault Indian Nation
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Transmitted via e-mail to
http://www.nigc.gov

National Indian Gaming Commission
1441 L Street, NW, Suite 9100
Washington, DC 20005

Re: Regulation revisions (Notice of Inquiry and Notice of Consultation)

Dear Commissioners:

By way of initial comment, whenever review of existing regulations are undertaken, the National Indian Gaming Commission (NIGC) should always bear in mind that the tribes' sovereignty is eroded each time broad, comprehensive regulations are placed on Tribal gaming. The NIGC needs to be mindful of not intruding into areas that it currently does not occupy and resist expanding its reach. With that said, the following comments are hereby submitted on behalf of the Quinault Indian Nation.

IV. Regulations Which May Require Amendment or Revision

A. *Part 502 – Definitions of This Chapter*

(1) *Net Revenues*. With respect to "net revenue", or any other accounting term for that matter, the NIGC should use terminology that is standardized for accounting purposes. Audits have become very expensive and time consuming for staff so if things can be streamline by using the same terminology, regardless of the industry, the Tribes would be better off.

As far as "allowable uses" the decision as to whether or not additional funds need to be retained should rest with the Tribe. It is the Tribal government, not federal regulators, that is in the best position to make that evaluation. To, in essence, force a distribution does not serve anyone's interests.

(2) *Management Contracts*. There is no need to expend the definition of "management contract" to include slot lease agreements. Those are Tribe to Tribe agreements. Federal regulators have no reason to be involved in those matters. To do so would simply slow the contractual process to a crawl. The same holds true with regard to acceptable compensation to management contractors. That is a subject best left to the negotiation process.

B. *Part 514 – Fees.* The NIGC should change the reporting fees from the calendar year to the Tribe's fiscal year. That would avoid having to fracture the Tribe's accounting cycle for one item.

The NIGC should amend the definition of gross gaming revenue to be consistent with the GAAP definition. Again, uniformity in accounting is in everyone's best interests.

Finger print fees should be included in total revenue collected by the NIGC. After all, the NIGC did collect those fees. All fees collected by the NIGC need to be included.

The NIGC should include a late payment system in lieu of NOV. However, Tribal input should be solicited in determining what constitutes gross negligence.

C. *Part 518 – Self Regulation of Class II.* This part is working well as implemented.

D. *Part 523 – Review and Approval of Existing Ordinances or Resolutions.* No recommendation.

E. *Management Contracts.*

(1) Part 531 – Collateral Agreements. The NIGC should not become involved in approving collateral agreement. This goes right to the heart of Tribal sovereignty and its respective ability to negotiate on its own behalf.

(2) Part 533 – Approval of Management Contracts. Again, this should be left to the Tribes for the reasons site above. Regulatory burdens need to be kept at a minimum.

(3) Part 537 – Background Investigations. When the contract involves only Class II Gaming, the NIGC should not be involved.

F. *Proceedings Before the Commission.* These proceedings should remain as simple, and non-technical as possible. Comprehensive and detailed procedural rules will only result in traps for the unwary and force Tribes to hire legal counsel when that may not otherwise be necessary.

G. *MICS & Technical Standards.*

(1) Part 542 – Class III Minimum Internal Control Standards. This area should be left up to the current regulatory scheme that exists between the Tribes and the State.

(2) Part 543 – Class II Minimum Internal Control Standards. From the prospective of the Quinault Indian Nation, the current standards are working fine. They do not need to be altered.

(3) Part 547 – Minimum Technical Standards for Gaming Equipment Used With the Play of Class II Games. See comment to (2) above.

H. *Backgrounds and Licensing.*

(1) Part 556 – Background Investigations for Licensing. If the pilot program truly lessens regulatory burdens, then it should be implemented.

(2) Fingerprinting for Non-Primary Management Officials or Key Employees. If the regulation is limited to voluntary submissions only, then the Quinault Indian Nation would not object. But, the NIGC should not adopt regulations to require Tribes to submit such fingerprint cards.

I. *Part 559 – Facility License Notifications, Renewals, and Submissions.* If changes are going to be made to the rule, the NIGC should utilize standard notice and comment procedures.

J. *Sections 571.1 – 571.7 – Inspection and Access*. The NIGC should not revise the cited regulations as it already has the authority to access off-site records through the Tribal gaming agency.
K. *Part 573 – Enforcement*. The NIGC possesses inherent authority to withdraw a Notice of Violation. Regulations are not needed.

V. Potential New Regulations.

As previously stated, the NIGC should avoid issuing new regulations in currently unregulated areas. Regulations only serve, in most cases, to limit Tribal sovereignty and self regulation. Enough of that has occurred throughout history and thus should be avoided.

Sincerely,

Fawn R. Sharp
President