

1 CHAIRPERSON JAMES: Mr. Coin?

2 MR. COIN: Thank you, Madam Chairman and honorable  
3 members of the Commission. When I got prepared to come to this  
4 facility this morning, I thought what a great day it is to learn  
5 and I'd like to try to fulfill that role and give you a sense of  
6 a history, if you will, of Arizona, since I recently, less than  
7 30 days ago, joined the staff of the National Indian Gaming  
8 Association but prior to that I served as the Executive Director  
9 of the Arizona Indian Gaming Association, so my remarks will  
10 reflect a great deal on the Arizona situation as well as my new  
11 found responsibilities with the National Indian Gaming  
12 Association.

13 You see, Madam Chairman and members of the  
14 Commission, many, many hundreds of years ago an ancient people  
15 called the Hohokam settled this valley, the Valley of the Sun.  
16 Today -- and they were proud stewards of the land, having laid  
17 out very intricate, very elaborate, very complex systems that  
18 supported their agricultural way of life. Systems of irrigation  
19 and plots of land where they would farm certain agricultural  
20 products are signs that they were indeed a very sophisticated  
21 society and served, again, as able stewards of the land at that  
22 time.

23 Today the modern day descendants of the Hohokam, the  
24 ancient ones, are the O'Odham people who again continue to  
25 honorably and ably serve as stewards of this land and are able to  
26 bring some sense of reverence, I think, to this proud land that  
27 the O'Odham call home and I, as a visitor and you, as a visitor,  
28 you know, we need to be aware that one of the best things that we

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1 can do to honor these ancient people and their modern day  
2 descendants is to recognize them as what they are in today's  
3 world and that is very sophisticated, very able, very capable  
4 people who run governments in their own right.

5           And the unfortunate part of this whole scenario is  
6 not a single one of us in this room having gone through public  
7 schools and public education in this country, has ever been  
8 required to spend a minute of time learning about tribal  
9 governments and that is a true tragedy. And some of the fallout  
10 that's being played here, some of the consequences of that  
11 oversight, if you will, is because of that lack of understanding  
12 of tribes as governments. And I'd like to spend some time today,  
13 having had the privilege again of listening to your discourse in  
14 your hearing yesterday in California and particularly Mr.  
15 Dobson's, Commissioner Dobson's question about taxation, whether  
16 or not tribes with their casino facilities do, in fact, pay taxes  
17 and I'd like to take just a couple of minutes to answer that if I  
18 might.

19           One of the most successful enterprises in the Valley  
20 of the Sun is Sky Harbor Airport. It's owned and operated by the  
21 City of Phoenix and you can bet that vendors and airlines and  
22 everybody that has a privilege of having a business operation  
23 there in that facility pay a sizeable amount of money for that  
24 privilege. And we can again bet and safely assume that because  
25 of that attraction of Sky Harbor Airport and the need to do  
26 business in that facility, the City of Phoenix reaps probably  
27 millions of dollars in profits, net profits from that operation  
28 and they rightfully use those proceeds to build better roads, to

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1 build better libraries, to build better -- to deliver better city  
2 services because they are a government.

3 On the other hand, the State of Arizona runs a, some  
4 might argue a successful or marginally successful lottery, state  
5 lottery, the proceeds of which again go to provide education.  
6 They go to provide certain services that are obligations of the  
7 State of Arizona as a government and fulfill those kinds of  
8 needs. And then thirdly, tribal governments in this State of  
9 Arizona and elsewhere, again, using an enterprise called a casino  
10 operation and gaming to generate revenues which they use to build  
11 better roads, better schools to improve the lives of their  
12 people, and do all those kinds of things that are, again,  
13 fundamental obligations of governments.

14 Now, do any of these three -- are any of these three  
15 levels of government who have successful enterprises taxed by the  
16 Federal Government or any other jurisdiction? The answer is, no,  
17 and rightfully so, because they are legitimate governments in  
18 their own right and the question of taxation should not ever be a  
19 mix, if you will, in the discussions when you talk about  
20 taxation.

21 Now, conversely now, if the City of Phoenix and the  
22 State of Arizona were to agree that the Federal Government ought  
23 to be able to come in and tax Sky Harbor profits, ought to be  
24 able to tax state lottery profits, and at the same time be able  
25 to tax tribal casino revenues, then we would have no problem with  
26 that. The problem we have as tribes with the issue of taxation  
27 is when the Federal Government or somebody else, some other  
28 jurisdiction insists that tribal governments be separated out and

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1 treated in a different way and they fashion that as not right and  
2 not appropriate to treatment of governments in this country. And  
3 I thought that it was important that we put some, you know, a  
4 little bit of time in addressing that and I hope, Commissioner  
5 Dobson, that that at least sheds some light on the question that  
6 you posed yesterday because I felt like I was a little  
7 disappointed that we weren't able to give you a straightforward  
8 answer and I hope, again, that this helps to clarify some of  
9 that.

10 I'd like to ask the Commission for a couple of  
11 things. Number one, that again the entire statement of my  
12 written text be entered into the record. I also would like to  
13 respectfully ask that given, again our experiences yesterday and  
14 today that there is still a great deal of information I think  
15 that this Commission could benefit from and we'd like to be able  
16 to offer supplementary information at a later date if that's  
17 permissible to help you.

18 CHAIRPERSON JAMES: It certainly is and we would be  
19 happy to receive it.

20 MR. COIN: Okay, Madam Chairman, with that, I'd like  
21 to focus just a little bit on the issue or the topics that you've  
22 asked us to comment on. And one of those areas is the Commission  
23 itself. Of course the National Indian Gaming Association has  
24 been on the record since the discussion about the creation of  
25 this Commission began as being in support and in favor of having  
26 an institution like this. We feel that in our best interests, in  
27 our wisdom with tribal governments that perhaps one of the fair  
28 ways, one of the only fair ways that we could come to the bottom

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1 of really taking a good look at what tribal governmental gaming  
2 was all about was to have an independent study, was to have an  
3 independent body, an objective body and hopefully, Madam Chair  
4 and honorable members of the Commission, we hope that in your  
5 wisdom and your deliberations you have determined at the outset  
6 that this body will, in fact, be objective and independent and  
7 impartial and fair in your assessment and your search for  
8 information concerning gaming in this country.

9           And most importantly we hope that you will go out of  
10 your way to further understand again tribal governmental gaming  
11 in its appropriate context. It's a shame that my boss, the  
12 Honorable Chairman Richard Hill is not with us today. He had an  
13 unfortunate family emergency that involved one of his family's  
14 health and so he had to leave and obviously, he wanted to be here  
15 and I understand he's developed or beginning to develop a fairly  
16 good relationship with the Honorable Chairperson and we hope that  
17 that relationship continues.

18           Indian gaming in this country has been the object of  
19 study, both fair and unfair, for a long, long time, since its  
20 inception. In our wisdom, again, it was important that this  
21 Commission be given this opportunity to study it and we hope to  
22 be able to give you the kind of help and the information that you  
23 need to be able to do this on a continuing and in-depth basis.

24           We also believe, however, that your restrictions on  
25 time and resources will restrict or will not enable you to visit  
26 other parts of Indian country that we feel are so important to  
27 telling the full breadth of our story, the questions about Pine  
28 Ridge and Rosebud and those kinds of things. The only thing I

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1 can urge you to do, Honorable Commissioners, is to go visit Pine  
2 Ridge, go and visit Rosebud so you can tell for yourself exactly  
3 what that situation is. Many times our reservations are so far  
4 removed from any sort of population centers that even the best of  
5 intentions for economic development cannot and often do not work.

6 We have two situations here in this state, two tribes  
7 who, because of the -- because of lack of access to markets for  
8 their tribal gaming operations were forced to close after just a  
9 few months of operation, an incredible level of debt that they've  
10 incurred and now are trying to find ways to try to relieve that  
11 debt. Again, market conditions, you know, play such a large role  
12 in the kinds of success that you're able to get from engaging in  
13 this what for many has been a lucrative operation.

14 We also are mindful of the fact that there are some  
15 in this country who look at gaming strictly from a moral or a  
16 immoral standpoint and we would encourage and challenge this  
17 Commission to look beyond that shortsightedness and really look  
18 at this operation, especially in Indian country for what it  
19 really is and that is a very significant stimulus for tribes,  
20 tribal governments in this case to be able to fulfill one of  
21 their basic, basic responsibilities and that is to create an  
22 economy of some kind within their own jurisdictions. And I  
23 would, again, encourage you to take a very close look at that.

24 We encourage this Commission to do a thorough job of  
25 looking, again, at the entire industry and realize that  
26 unemployment, you know, within Indian communities has always been  
27 a chronic problem. You know, it's only been recently, especially  
28 in the State of Arizona again, with situations I'm more familiar

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1 with, where unemployment has been drastically reduced. You'll  
2 hear from some of our tribal representatives today that will tell  
3 you firsthand the kinds of positive experiences we've had with  
4 creating new jobs and those kinds of things that are important to  
5 us.

6 And then finally one more point before I get into  
7 some of the questions; one of my good friends who happens to be a  
8 tribal leader in Arizona, is a gentleman named Ivan Makil. He's  
9 president of the Salt River Pima Maricopa Indian community. And  
10 he always stresses one fundamental point that he believes and I  
11 agree that tribal governments are all about and that is we're in  
12 the business of building people. We want to make sure that this  
13 family of the Salt River Pima Maricopa Indian community and this  
14 family of a tribe in this state and in this country, every member  
15 of this family has a chance to have quality education, have a  
16 chance to improve themselves because when we look at it and sort  
17 of superimpose this whole scenario over our own families, our  
18 families are only as strong as the weakest member of that  
19 institution.

20 And we want to make sure that we use our resources  
21 wisely to be able to build people because after all it's people  
22 themselves that build businesses. People build better  
23 governments. People build institutions. So we ought to not have  
24 any misgivings about the fact that our business is really one of  
25 building people and trying to enhance their position in life.

26 There are a number of questions that were posed to us  
27 through a letter inviting us to come to this table. One of them  
28 is whether or not IGRA works and the Indian Gaming Regulatory Act

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1 works and just exactly what is -- you know, what would be our  
2 recommendations for that. We believe, again, that the Indian  
3 Gaming Regulatory Act, given an opportunity to work, does work.  
4 There's just a handful of states and my friend, Tom Gede here,  
5 has spoken to one of those, California, where we have -- seem to  
6 be having an extraordinary problem getting together and trying to  
7 determine what is the best way to operate the kinds of games that  
8 the tribes are seeking in that state.

9           You know, we want to encourage certainly California  
10 tribes in that state to continue to dialogue and continue to  
11 discuss those issues that sometimes may be hard but clearly are  
12 in the long run in the best interests of both parties. On the  
13 other hand, here in Arizona we went through similar kinds of  
14 situations where we've had an adventurous path to be sure and  
15 finally came to grips with the compacting process in this state.  
16 With a lot of help certainly from the Secretary of Interior, with  
17 a lot of help from the federal mediator, with a lot of help from  
18 a lot of different people and finally came to terms with what I  
19 believe tribes are happy with.

20           We do have limited gaming in this state in that we  
21 don't have the full breadth of Class III or casino games that  
22 might be typically offered in a place like Las Vegas or Atlantic  
23 City. We also have a number of different provisions in that  
24 tribal state compacts are -- that are reflected in our tribal  
25 state compacts, shared regulation for example and the role that  
26 specifically the State of Arizona will play, and the primacy that  
27 tribal governments will have in regulating this operation.

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1           So there's a great deal more that I know that is in  
2 my written text and I'd be happy to respond to any questions from  
3 the Commission.

4           CHAIRPERSON JAMES: Thank you, Mr. Coin.

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