CHAIRPERSON JAMES: At this time I'd like to thank this panel for presenting, and if there are any comments or questions before we move onto our next panel.

CHAIRMAN MILANOVIĆH: Pardon me, Madam Chairman.

CHAIRPERSON JAMES: Certainly.

CHAIRMAN MILANOVIĆH: I have included a letter from the City of Palm Springs, which is in support of our operation, as well the Chief of Police of Palm Springs. And when I got here this morning I came down the hallway and I saw all the yellow t-shirts. I said, my goodness, what a great showing. But at the same time -- so I called our Human Resources Director at the Spa Casino this morning and asked her to fax over a letter which outlines the benefits which are paid to our casino employees. It is also part of your packet.

CHAIRPERSON JAMES: Thank you very much, and all of that will be entered into the official record.

CHAIRMAN LACHAPPA: Madam Chairman, I'd like a couple of comments before I go.

CHAIRPERSON JAMES: Yes.

CHAIRMAN LACHAPPA: Ms. Allison -- either I misunderstood her or -- but she mentioned about the infrastructure of the Tribe. The Tribe, as you eloquently heard, every Tribal leader that comes before this panel or any panel will tell of the benefits as Chairman Milanovich mentioned. The infrastructure of the Tribe is done by the Tribe through the success of gaming. We don't get no government grants, any of that sort. We take care of our own water and wells and electricity; all that stuff.
Also, when I was back in Washington, I believe it was in '94. I just want to let the panel know that the Native American men was the largest race lost in fighting for their country, and I want to know what the Commission's going to do for us.

Thank you very much.

CHAIRPERSON JAMES: Thank you.

CHAIRMAN PICO: Madam Chair, I just want to say one more thing too. That the Viejas Tribe of San Diego County share our revenues with those Tribes that live too far off that don't have the transportation infrastructure or the electrical infrastructure to a tune of over a million dollars a year. There's a Tribe called Las Coyotes (ph.) that live in one of the most rural places in San Diego County. Up until a couple of months ago it did not have electricity. And so they've been using the revenues that we've been sharing with them so that they could get electricity to the Reservation. So there are people out there living like third world countries, and so I just want to let you know that not all Indians have casinos. Not all Indians are doing that well. A very small percentage of them are.

Thank you.

CHAIRPERSON JAMES: Thank you very much, and again, thank you each.

Yes, Commissioner Dobson?

COMMISSIONER DOBSON: Thank you,

Mr. Pico. Excuse me. Is this on? Can you hear me? I have the same problem you do.
Your report on page 6 makes a casual reference to the issue of the myth that Tribes do not pay taxes. Could you clarify for me what that means? Do casinos pay federal and state and local taxes?

CHAIRMAN PICO: First of all, I think it was true that at one time it was said that Native Americans did not pay taxes, and I really think that arose out of a situation that we were so poverty stricken we had nothing to pay. And that's exactly the truth. But as we're starting to develop; as we're starting to get into an income level where we can now and are required to pay taxes, we are very happy to pay taxes as opposed to living in the kind of poverty situations that we have, which is much different than the rest of American. I mean, a lot of people don't want to pay taxes, but I'll tell you what. We'd love to pay taxes if we could make the kind of wage that would enable us to pay taxes.

But back to your question. Yes, we pay every tax that everyone else pays, and the business that we have there, the retail outlet, factory outlet mall, we will collect $3 million in taxes, in sales taxes this year from that and turn that over to the state of California. We pay every tax, except we do not pay state property tax because of the fact that one sovereign cannot tax another sovereign.

COMMISSIONER DOBSON: Let me make sure I understand what you're saying. The casino pays federal taxes; is that correct?

CHAIRMAN PICO: Yes. We pay taxes.
COMMISSIONER DOBSON: The casino pays taxes? I'm talking about private --

CHAIRMAN PICO: No, okay. That particular part of it is because one sovereign cannot tax another sovereign.

So --

COMMISSIONER DOBSON: So the answer is no?

CHAIRMAN PICO: Well, the answer is yes, we pay at a rate -- taxes is at 100 percent. That means every net dollar that comes out of the casinos is paid to the Tribal governments themselves to mitigate the last 200 years of this abject project that we've been involved in. We are a government first and a racial entity second. In this country there are of the mix of governments. There's a Federal Government, there's a state government, there's Tribal government, city governments, county governments, and special district. That's the misconception here, that we are a government.

COMMISSIONER DOBSON: Pardon me for pressing the issue, because I really want to understand it. With regard to the difference between paying individual taxes as people do who have a corporation and they receive salary and they pay taxes, but there is a corporate tax. Is there a tax separate from the individual's tax for federal income or state income taxes? Also on the corporation or on the casino?

CHAIRMAN PICO: Yes, and it goes to the Tribal treasury.

CHAIRPERSON JAMES: No federal tax; it goes to the Tribal government?
CHAIRMAN PICO: It goes to the Tribal Nation. If you look in the Constitution of the United States, Article I, Section 8, under the Powers of Congress, it says: Congress shall have the power to regulate foreign commerce, sovereign states, and Indian Tribes. The and conjunction means the states and the Tribes are equal. So the taxes go -- we pay the highest tax in the whole country at 100 percent. It goes to the Tribe.

CHAIRPERSON JAMES: I think --

CHAIRMAN PICO: Our service is to the people.

CHAIRPERSON JAMES: I think we'll be able to address some of these issues with our next panel, as well, and clarify.

CHAIRMAN PICO: I'll certainly put together a paper for the Commission and pass that along in much more detail.

COMMISSIONER DOBSON: That would be very helpful, because I still don't know the answer.

CHAIRPERSON JAMES: We will have one final question from Commissioner Lanni, and then we will move onto our next panel.

COMMISSIONER LANNI: This is actually a question of Chairman Smith.

I think during your presentation you indicated there are, I think, approximately 100 federally recognized Tribes in the state of California?

CHAIRMAN SMITH: It was a hundred plus.

COMMISSIONER LANNI: A hundred plus. And I think you indicated that 40 of them have gaming?

CHAIRMAN SMITH: Yes.
COMMISSIONER LANNI: You also indicated that your Tribe has approximately 867 members, which I think you indicated was for California standards of Native American Tribes, one of the largest?

CHAIRMAN SMITH: For our area, yeah, southern San Diego County.

COMMISSIONER LANNI: Do we have any availability of the numbers of people who are Tribal members of the 40 that have gaming that find themselves within the boundaries of the state of California; the actual numbers of Tribal members?

CHAIRMAN SMITH: Off the top of my head I couldn't answer that.

COMMISSIONER LANNI: Is that available though?

CHAIRMAN SMITH: If it is I could get it to you.

COMMISSIONER LANNI: My request may be that the Commission staff make that information available. Actually how many people who are members of the Tribe are benefiting from this particular form of endeavor.

CHAIRPERSON JAMES: Certainly.

CHAIRMAN SMITH: And Commissioner Lanni, and the benefit is not so much selective as it is geographical. Those Reservations that are closer to the market or population centers just kind of evolved by chance there.

CHAIRPERSON JAMES: Thank you. I am going to thank this panel, and we -- Commissioner Moore I will give you the last and final word. We are about 30 minutes over, but --

COMMISSIONER MOORE: It won't take long. I'll talk fast.
CHAIRPERSON JAMES: I don't think you can do that.

COMMISSIONER MOORE: And it's sort of in line with Commissioner Lanni, and it's -- I appreciate what the speaker said. In Mississippi we have gambling. We have gambling on the water, on the river, and on the coast. Everyone in Mississippi doesn't live on the water. All the Indians in California don't live on federal land and close to cities. However, the tax structure in Mississippi is that a certain percent of taxes that are taxed on the casinos go into the state general fund. All of you heard of general funds. Now, then that general fund benefits all members of Mississippi regardless of whether they're in north Mississippi or in the cotton belt or wherever they might be.

I would wonder if you ever thought about -- this is socialism so I'm going to be popular. I wondered if you ever thought about pooling some of your money and dividing it among all the Indians, then they could all be happy.

CHAIRMAN PICO: With that answer I think, in my opinion, you asked the right person. I don't believe in socialism. I don't believe in the welfare system. I believe in 16 hours a day, six, seven days a week because that's what I live. But I also understand that there are people out there, our brothers and sisters, our red brothers and sisters who are much worse off than we are. Now, my personal point of view is not shared by other Native Americans, but I do believe that we should be in a position to share our revenues so that those people can learn how to fashion their own rod and reels and fish for themselves. Yes, I'm very strongly in favor of that.

CHAIRPERSON JAMES: Thank you very much.