CHAIRPERSON JAMES: The Honorable Dale Phillips.

CHAIRMAN PHILLIPS: Thank you. I am very honored to come before you this morning. I just want to assure you that it's not as hot as you think it is. Good morning, my name is Dale Phillips and Chairman of the Arizona Indian Gaming Association and I, too, am going to read my statement. I'm also the Vice Chairman of the Cocopah Tribe of Arizona. Our reservation is in the extreme southwestern corner of Arizona. I want to thank the National Gaming Impact Study Commission for inviting me to testify today.

The Arizona Indian Gaming Association was formed in 1994 and is a non-profit organization of Arizona Indian Tribes. AIGA was organized to promote the responsible conduct and regulation of Indian gaming on Indian land within the state and to promote, protect and preserve tribal interest through sound policy and practice for the conduct of gaming activities in Indian country.

I am here today to provide comments on behalf of AIGA concerning Arizona Indian gaming. I would like to discuss briefly each of the matters the Commission has been assigned to study under the National Gambling Impact Study Commission Act. First I would like to talk about Arizona Tribal Government policy regarding gaming.

There are 21 separate tribal governments in Arizona. Each tribal government responds to its own citizens. There are 16 tribes that have compacts with the state of Arizona and out of these 14 are currently operating casinos. Two tribes, the Haulapai Tribe and the Kaibab Paiute Tribe began operating gaming
under the compact but closed down due to the lack of business and the remote geographical location. The Havasupai Tribe has not elected to pursue gaming. The Hopi and the Navajo people have each voted in a referenda to not operate gaming on their reservation at this time. There is a strong bond among all Arizona tribes but each tribe is unique. The AIGA recognizes that each tribal government must exercise its inherent sovereignty and independently evaluate whether gaming is best for that tribe.

Tribes cannot unilaterally establish gaming policy. Even within their own jurisdiction Congress has limited the rights of tribes to control gaming policy in the Indian Gaming Regulatory Act. As a result Arizona tribes have compacts with the state for Class III gaming. These compacts are the result of a compromise between the state and the tribes. The compact limits Class III gaming in Arizona and insures comprehensive regulation by a tribe with extensive state monitoring. Indian gaming is regulated by three separate levels of government; federal, tribal and state. Indian gaming in Arizona is the most monitored and regulated game in the United States.

The second topic I would like to touch upon is the relationship between gaming and the level of crimes. Arizona tribes have not seen any evidence to suggest that Indian gaming has caused an increase in criminal activities either on or off reservations. In fact, I believe gaming will reduce crime in Indian country. Actually gaming crimes have been very minimal due to the intense security and regulation that tribal casinos operate under. However, AIGA recognized that to some extent
increased business and economic activities of any kind can provide the opportunity for criminal activities.

For instance, there would be no security fraud if there was no stock market. There would be no shoplifting or criminal price fixing if there were no stores. Economic enterprise of any kind can create the opportunity for criminal activities. We all know there would be less crime in Phoenix if there were no Phoenix Suns' or Arizona Cardinals' games. Large crowds will always lead to some criminal acts.

No one would consider getting rid of a business as a way of getting -- as a way to get rid of business crimes. The solution for gaming and gaming related crimes is strict policy and regulation. Tribal gaming in Arizona is strictly regulated and has not produced any significant increase in criminal activities. AIGA understands that the gaming business, like all other business, may increase the opportunity for criminal activities but no more so than in many non-gaming businesses. Because gaming is a cash business, greater precautions are taken to safeguard the assets of the casinos.

Arizona gaming tribes recognize the absolute and critical importance of active regulations of the business of gaming. Every Arizona gaming tribe has agreed in its compact to organize a separate arm of tribal government whose sole responsibility is the regulation of the gaming business to insure that gaming is conducted in compliance with the Indian Gaming Regulatory Act, federal regulations, the compacts, all tribal laws and regulations and extensive internal controls adopted by each gaming business.
Indian tribal regulations in Arizona includes licensing all gaming employees, licensing all vendors, enforcing strict and comprehensive control. You won't find any gaming operations in the United States that are more completely regulated than the Indian casinos in Arizona. The tribes in Arizona actively regulate gaming with a well-funded agency because regulation is a necessary component of the business.

In addition, Arizona gaming tribes recognize the benefit of having an outside agency monitoring the tribe's regulations of gaming. Under each of their Arizona compacts the state of Arizona, through the Arizona Department of Gaming, monitors each tribe's regulations of gaming business. Tribes pay for all regulations. The Arizona gaming tribes have agreed to reimburse all reasonable costs incurred by the state of Arizona in monitoring tribal regulations of the gaming.

Most of the Commission's study of gaming at times will focus on alleged -- focus on the allegations that gaming increases crime. The widespread of poverty that has plagued Indian country for over a century has resulted in very high rates of criminal activity. Unfortunately, violence and property crimes have been a part of everyday life in Indian country for a long -- country for long before we knew about gaming. Indian gaming has really begun to improve lives in Indian country and crimes in Indian country will be reduced as a result.

Indian gaming provides jobs for our people. As unemployment goes down, our economies improve, crimes in Indian country will be reduced. The Commission is also assigned the task of evaluating the problem of gambling throughout the country.
including tribal casinos. AIGA and its member tribes recognize that a small percentage of the individuals participating in gaming both at the tribal casino and at off reservation gaming facilities, have a problem with gaming. We recognize this and believe that all tribes engaged in gaming and all horse tracks and dog tracks and off-track betting centers throughout Arizona and the state lottery have a responsibility to address this problem by supporting programs that counsel and help problem gamblers.

Many of our member tribes regularly support Gamblers Anonymous and similar organizations. AIGA urges each member tribe to devote a share of their net revenues to non-profit institutions that assist individuals experiencing a problem with gaming. We believe that all gaming facilities throughout Arizona should share this responsibility.

Next I would like to discuss the role of advertising and the promotion of gambling in Arizona. Gaming in Arizona is a competitive business. Many Arizona tribal casinos are in remote rural communities. As I have mentioned, two Arizona tribal casinos did not survive as businesses due in part to their remote location.

CHAIRPERSON JAMES: Mr. Phillips.

CHAIRMAN PHILLIPS: Oh, okay, I didn't see that. Once I get on a roll, I get going. Thank you.

CHAIRPERSON JAMES: As well you should and we are very interested in hearing your full testimony and I'm going to suggest, as with all testimony that the full context be entered
into the official record and will be available to all of the Commissioners.

CHAIRMAN PHILLIPS: Sure, I will do that. And I apologize, I wasn't looking.

CHAIRPERSON JAMES: No apologies necessary.

CHAIRMAN PHILLIPS: You know how us politicians are.

CHAIRPERSON JAMES: Give you a mike and you just get going.

CHAIRMAN PHILLIPS: Yes.