COMMISSIONER WILHELM: Mr. Notah.

MR. NOTAH: Ms. Chairman. Yut-ta-haye (ph). My name is Ferdinand Notah I'm the Division Director for the Division of Economic Development, Navajo Nation.

Mr. Wilhelm, our President Milton Bluehouse was not able to be here today, but he sends his regards. Just to let you know that we reviewed the testimony last night and added in a few of his comments also. So and we have submitted for the record copies of our testimony.

First of all Ms. Chairman, members of the Commission welcome to Arizona. thank you for taking time out of your schedule to come here to Arizona and hear testimony on the positive and negative aspects of gaming, Indian gaming as we look at it. We appreciate your efforts to hear out the Indian Nations here in Arizona as well as in New Mexico on Saturday. We hope you are able to get a taste of our Indian hospitality, maybe Navajo hospitality somewhere along the way. And also enjoy some or our scenic wonders out here in the Southwest. Regardless, welcome to Indian Country.

The Navajo Nation has -- is not currently an active participant in Indian Gaming, but we have an active interest. Our Nation is located in the Four Corners area of the United States, encompassing over 17 million acres. Our Nation lies in the areas of Arizona, New Mexico and Utah. We have a population of over 200,000 members, about 150,000 living on our Nation. We have an unemployment rate of about 45 percent and up to 52 percent whether you listen to the tribe or the federal government.
But historically, our economy was agricultural based. More recently we turned into a wage economy, wage-based economy. We have a small but growing private sector. Mining has been a big industry in our nation, has brought in jobs and royalties to the Nation, but as our non-renewable resources are being depleted our revenues are also on the decline. As a result the Navajo Nation is having to look at new alternative sources of revenue and gaming is one of those.

We have an economic initiatives program to create and bring in jobs as well as new revenues. The scenic wonders of our Nation bring in millions of tourists who now drop their tourist or travel dollars in our nearby border town communities that out lie our Nation. We are developing our economy to try to have these tourists drop their tourist dollars on our Nation as opposed to the border towns.

We do have a serious economic drain of money. In a year there's about 100 million payroll dollars generated on our Nation and almost immediately within three or four days of those pay checks 85 percent of these funds are lost into the border town communities never to return. So our mission is to stop that drain of economic dollars and maybe inject new outside dollars into our economy.

We've tried to enter the gaming scene over the past several years, but historically traditional gambling has been part of our culture. We have shoe games, there's been a lot of betting at horse racing which was a very common sport before IGRA and also in our culture the folklore of our traditions talk about...
gaming or gambling by various animals who played cards and other
games of the gambling nature.

Once the government got involved in the sort of the
big brother type of approach gambling became outlawed and was
made part of our Navajo Nation code. But despite these
prohibitions our people continue their card games and other forms
of gambling when they gather for religious ceremonies and other
social events. So it's a very difficult thing to enforce.

In 1994, we had a referendum that went out to ask the
people if we wanted to get into gaming. That 55 percent of the
voters voted against gaming and the vote spread and between the
votes was about 5,000 votes out of about 51,000 votes cast during
an election.

In 1997, we went and had another referendum, a
special election. And that again was put the question of whether
to enter gaming or regulated gaming. The vote 33,000 people votes
and the referendum failed by a spread of about 2,500 votes. So
from these numbers you can see that there is still a very strong
interest in gaming. Therefore, we see gaming as a still a viable
economic opportunity.

During this last referendum we conducted a education
campaign about the pros and cons of gaming. And we made
presentations to almost 110 of our communities that are around on
our Nation. We went to fairs, we went through the media, we had
debate forums. And we were accused, as government officials, of
misleading the public in favor of gaming. We even faced a
lawsuit right before the election in an attempt to stop the
election.
However, this debate was healthy, it showed our government in action. Some of the things that we used in favor of gaming were that we would get new revenues to the Nation in the tune of about 20 to 66 million dollars annually looking at 5 or 6 gaming sites. The revenues would be replacing declining revenues from non-renewable resources. We envisioned bringing in 3,000 new jobs, 1,500 construction jobs, new business opportunities for our growing Navajo private sector.

We also saw this as a way to inject new tourist dollars into our national economy. And our casino sites were targeted primarily to six key areas that where we have major tourist attractions such as near to Grand Canyon, near Lake Powell, near the Four Corners and along the I-40 corridor.

We saw the gaming as bringing in revenues for infrastructure, capital projects, community facilities, scholarships and other programs and services for our population. Currently these programs rely on federal funding as well as tribal funding and our tribal funding resources are becoming limiting at this point.

We also saw this as an opportunity to create new funds for social programs including setting aside funds to treat gambling addiction that might result and so forth. But gambling in the Southwest is thriving. Navajo patrons patronize the casinos, other Indian casinos, throughout the Southwest. At certain times of the day in some casinos all you can hear is Navajo language being spoken. So that tells you how popular gaming is in our -- in the Southwest.
On the negative aspects a lot of people voted against gaming and I can tell you some reasons why. There was a lot of fear that some of the gaming revenues would not reach local communities, but rather be -- remain at central level. There was mistrust that politicians would misuse or misappropriate revenues. Gambling addiction would become rampant. Family income would be spent on gaming. Social problems would increase. Although we have growing social problems on our Nation; alcoholism, gang violence, family abuse, those problems already existed. We estimated the increase in social problems as a result of gaming would be very minimal.

But since the referendum our Council has approved a local governance act which basically is going to attempt to transfer central government authority down to our local communities. And through this initiative we see some of these communities that lie the near the major tourist attractions as coming forth as a local initiative to pursue gaming.

We do have one community now near Albuquerque that is coming forth with a program to enter into the gaming picture. So this issue will be acted upon by the Council very shortly in about a month or two.

So with that Ms. Chairman, Members of the Commission we do see the social impacts, but we also see that gaming helps to provide funds to treat the problems as well as treat the other social ills of -- that are predominate on our -- in our culture.

So with that Ms. Chairman I -- I'm being told to stop, thank you.

COMMISSIONER WILHELM: Thank you very much Mr. Notah.