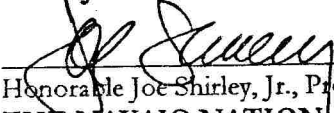




## MEMORANDUM

**TO:** Honorable Ervin Keeswood, Sr., Speaker Pro Tem  
NAVAJO NATION COUNCIL

**FROM:**   
Honorable Joe Shirley, Jr., President  
THE NAVAJO NATION

**DATE:** January 16, 2007

**SUBJECT:** RESOLUTION NO: CD-62-06 RELATING TO ECONOMIC DEVELOPMENT AND GAMING; APPROVING THE TSE'DAA'KAAN GAMING ENTERPRISE AMENDING 1 N.N.C. § 552 and 5 N.N.C. §§1731 to 1749; APPROVING A LIMITED WAIVER OF SOVEREIGN IMMUNITY

While I fully support chapter involvement in gaming, and especially involvement of those chapters designated as host chapters, I cannot support the establishment of individual chapter gaming enterprises. The Indian gaming industry is heavily regulated and having separate chapter enterprises will inevitably create confusion and could possibly violate the compacts between the Navajo Nation and the States of Arizona and New Mexico. The compact between the State of New Mexico and the Navajo Nation defines "Gaming Enterprise" as "*the* tribal entity created and designated by the Nation as having authority to conduct Class III Gaming pursuant to this Compact." See Section II (D). *Emphasis added.* Neither the definition section nor other sections of the compact with the State of New Mexico provides for or recognizes the establishment of more than one Gaming Enterprise.

The compact between the State of Arizona and the Navajo Nation defines "Gaming Facility Operator" as "the Nation, an Enterprise owned by the Nation, or such other entity of the Nation...having full authority and responsibility for the operation and management of Class III Gaming Activities." See Section 2(o). The designation of a single Gaming Facility Operator implies that the compact with the State of Arizona provides for the establishment of only one Gaming Facility Operator.

I believe that neither compact allows for the establishment of more than one Gaming Enterprise or operator within each of the respective States.

Additionally, as President of the Navajo Nation, it is my duty to represent and protect the interests of the *entire* Navajo Nation. I am concerned that chapters in New Mexico will create competing interests diminishing the ability of the Navajo Nation to maximize our revenue generating potential to fund Navajo Nation government operations, and to provide essential services for all of our people. The same holds true for chapters in Arizona. Because we are limited in the number of gaming facilities in Arizona, I am concerned that if chapter enterprises in Arizona are established in locations that are not consistent with our gaming development plans, we will jeopardize the Nation's ability to maximize revenues from gaming in Arizona.

Additionally, it is very likely that separate chapter enterprises will receive an unreasonable share of gaming revenues, which is unfair to the Nation and the remaining chapters that do not have a gaming facility in their communities.

Pursuant to Resolution No. CS-34-06, the Navajo Nation Council established the Navajo Nation Gaming Enterprise with the intent of serving as the central authority responsible for all gaming operations within the Navajo Nation. This Enterprise and this Enterprise only, would answer to State regulators, the National Indian Gaming Commission and to the Navajo Nation Council. The establishment of the Navajo Nation Gaming Enterprise requires representation from each of the Navajo agencies as well as board membership with specialized degrees and experience in the gaming industry. The Enterprise also has the authority to establish additional casino facilities under the control of the Enterprise.

To avoid major confusion with State and Federal regulators and possible violation of the New Mexico and Arizona State Gaming Compacts, to avoid competition among our own local communities, to ensure the implementation of our gaming development plans, to maximize our revenue generating potential, and to protect the interests of the entire Navajo Nation, I urge the Council to maintain its support of the Navajo Nation Gaming Enterprise.

By the authority vested in me as President of the Navajo Nation, I hereby veto Resolution No. CD-62-06.