

PRESIDENT PLATERO'S STATEMENT
BEFORE THE NEW MEXICO
INDIAN AFFAIRS COMMITTEE

December 9, 2013
Pojoaque, New Mexico

Madam Chairman Jeff, Chairman Pinto, members of the Committee. Thank you very much for inviting me to address the Committee today. Currently the Mescalero Apache Tribe is in negotiations with the Governor's office for a new gaming compact. As you are aware, our current compact expires in the summer of 2015. It is vital for the both the Tribe and the State that we have a compact in place well before this time. The gaming conducted by the Mescalero Apache Tribe has become an economic staple that two counties and many municipalities rely on for jobs and income. If the Inn of the Mountain Gods could not conduct gaming, this would likely put Southern New Mexico into an economic crisis the likes of which it hasn't seen. Mescalero is working to try and avoid this. I believe that the Governor's office shares this goal as well.

One of Mescalero's major goals in this whole compact negotiation process is to make New Mexico's gaming industry competitive with other states. Mescalero is in a very different position than many of the other tribal casinos in New Mexico. Unlike every other casino in New Mexico, New Mexican citizens do not make up the majority of our customer base. Our major customer hubs are located in Texas and in northern Mexico. Our competition for these Texan and Mexican customers does not come from other Indian casinos. It comes from Las Vegas. It comes from Arizona. It comes from Colorado. We need pro-business policies that allow us to attract gaming patrons away from Las Vegas and other gaming destinations.

I know this administration has made a major focus of attracting dollars away from other states by implementing tax and regulatory policies that make New Mexico attractive to business. We have been working with the Governor's representatives to help translate this broad policy into the specifics of our gaming compact.

We have asked the Governor for several pro-business items in our compact. We would like to have the ability to offer complimentary food and lodging to entice out-of-state residents to come to Mescalero instead of Las Vegas. We think that this would enable us to bring dollars into the State that will not only stay in Mescalero but that will help Ruidoso, Alamogordo and the State as a whole. These are not dollars that would be shifted out of some other businesses' pockets, but dollars that would otherwise not show up in New Mexico at all. They are additional dollars. When someone comes to Mescalero because of a free or reduced rate lodging offer, they not only spend money with us, they spend money in Ruidoso. They

spend money in Ruidoso's restaurants, shops and recreational facilities. Why keep these people away? Why encourage them to go to Las Vegas?

The same is true for alcohol on the gaming floor. While I know that this is an idea that not everybody agrees with, it is the request that we hear the most from our patrons. Our patrons want to be able to have a beer while they gamble. Not having the option to serve our patrons alcoholic beverages on the gaming floor pushes them to other states. Every other state in the Union that has gaming allows alcohol on the gaming floor. Your racetracks allow alcohol on the floor. A racing patron can take a beer up to the window when they place a bet. It is very paternalistic, and contrary to good business sense, not to allow alcohol on the gaming floor. The Mescalero Apache Tribe has a very good track record of responsibly managing the sale of alcohol. It will do so in the gaming context as well.

The issue of credit is also one that will help improve business in the state. We are looking to be able to extend credit to big players from other jurisdictions. This is a practice that big players are used to from other gaming jurisdictions. We are not looking to extend credit so that low income people can gamble more than they should. We are looking to extend credit to high-limit players, so that they will come here rather than go elsewhere.

These are not unreasonable requests, and we appreciate the Governor's willingness to negotiate with us on these topics.

The Navajo Nation Compact does not permit these tools that would enable the Nation to compete with other jurisdictions. That is the Nation's choice, however. We would never attempt to interfere with another Tribe exercising its sovereignty. We are concerned, however, about how the Navajo Nation compact will affect our ability to negotiate a compact that is beneficial for Mescalero. We do not want either the administration or the Legislature to see the Navajo Nation Compact as a mold into which Mescalero can be pushed.

The Indian Gaming Regulatory Act requires a state to negotiate individually with each tribe that requests a compact. Mescalero has requirements that differ from those of the Navajo Nation. We operate different types of gaming enterprises. We attract different types of patrons. We are different than the Navajo Nation. I ask both the Governor and the Legislature to remember this as we move forward with Mescalero's compact.

Some of you have asked how the negotiations are progressing. I don't want to reveal all of the details of these negotiations, but I will say that we are close to agreement on some points, but have a significant distance to go on others. We appreciate the hard work that Jessica Hernandez and Jeremiah Ritchie have put into this process, and we really hope that by the time it is over we will have a compact that will allow us to be competitive because after all a rising tide lifts all ships. If we do well, our neighbors will do well and the State of New Mexico will do well.