

TALKING POINTS - BATES

- We have provided notebooks to each of you that contains:
 - Copy of the Compact
 - Summary of the Compact
 - Key term sheet that was approved by the Naabikiyaati Committee of the Navajo Nation Council
 - Council Resolution
 - President and Speaker's joint letter to Senator Munoz – Chairperson of the Committee on Compacts
 - President and Speaker's joint letter to Governor Martinez
 - Copy of the Compact Negotiation Act

- On February 17, 2011, we sent our first letter for this new administration to Governor Martinez requesting negotiations.
 - You have heard that the expiration date was June 30, 2015 and it was important to the Navajo Nation to begin negotiations early, especially considering the lengthy approval process of the Navajo Nation, State and Federal Government.

- In May 2012, the Navajo Nation commenced negotiations with the Governor's Office. During negotiations and in previous letters and communication to the Governor's Office, the Navajo Nation expressed its 3 key positions which are:
 - Duration;
 - Number of facilities; and
 - Revenue sharing.

- We started these negotiations with 4 other tribes that are under the 2001 Gaming Compact, Pueblo of Pojoque, Pueblo of Acoma, Jicarilla Apache Nation and Mescalero Apache Nation.

- After months of tough negotiations with Governor Martinez's Lead Negotiator, the leadership of these other tribes decided to not push for a Compact to be presented before the 2013 session.

- However, it was very important to the Navajo Nation to proceed and the Governor's negotiation team agreed to continue with the Navajo Nation with a goal to present a Compact to the State legislature before the end of the 2013 session.

- The Navajo Nation is confident that it negotiated a Compact that is fair, reasonable, and will continue to provide benefits to the Navajo Nation and the State of New Mexico.
- The Compact is a true compromised agreement, with terms and conditions important to the Navajo Nation and to the State.
- The Navajo Nation agreed to include a majority of the 2007 provisions to the proposed Compact, which includes the revenue sharing rate structure, duration and other provisions.
- To highlight some of the areas of the Compact, there were six main negotiated positions:
 1. Revenue Sharing (Section 11)
 2. Number of Facilities (Section 3)
 3. Duration (Section 9)
 4. Jurisdiction (Section 7 and 12)
 5. Operations/Development (Section 4)
 6. Notice (Section 13)
- Under Tab “2” is the Term Sheet that was approved by the Naabikiyaati Committee of the Navajo Nation Council. It provides a brief summary to each of the above positions.
- The Revenue Sharing rate is comparable to the 2007 revenue sharing rates.
 - The Navajo Nation agreed to pay 9.75% that will increase over the years to 10.75% by year 2030.
 - The Navajo Nation agreed to pay a portion of Free Play. Basically the Navajo Nation will treat Free Play the way the State accounts 35% of the time and 65% of the time Free Play will be treated our way.
 - In addition the Navajo Nation is granted additional exclusivity in excess of the 2001 and the 2007 Compacts.
 - The 2007 New Mexico Compact additional exclusivity includes:
 - limits the number of licensed horse racetracks to 6;
 - restricts the number of Gaming Machines and hours of operation for racetracks and fraternal organizations;

- requires the Commission to solicit and consider the Nation's views on any application from a racetrack to move its gaming operation.
 - The 2013 Navajo Compact additional exclusivity includes:
 - Limits the state lottery from operating class III gaming machines
 - Provisions relating to Internet gaming. This Compact allows the Nation to stop making revenue sharing payments in the event the State authorizes Internet gaming for any other entity, and then requires the Nation and the State to negotiate an agreement for the Nation's operation of Internet gaming.
- The Navajo Nation is granted five (5) Gaming Facilities and agrees 80% of the gaming machines in New Mexico will be Class III.
- The Duration was very important to the Navajo Nation considering we are a developing Gaming Industry. We were very happy to be given a long term of 24 years. This Compact will expire June 30, 2037.
- Jurisdiction
 - The Navajo Nation was granted criminal jurisdiction over non-member Indians and the dispute process were clarified for disputes between the State and those with the patrons.
 - We were pleased that the Navajo Tribal Court system is now recognized in the Compact.
- Operations/Development positions were primarily those terms that were important to the State such as including:
 - self-exclusion provisions (applies to racinos)
 - increasing a portion of the gaming revenue payment to problem gambling programs (applies to racinos)
 - collection of delinquent child support payments in the event a patron wins a jackpot over \$1,200 (applies to racinos)
 - increase in regulatory fees to the State

- clarifying audit procedures and transparency of documents
- The Navajo Nation was given as additional benefit in allowing our Casinos to comp food and lodging through a player club program and to be open 24 hours, 7 days a week.
- These are the main highlights of the 2013 Gaming Compact
- At this time, the Compact has been recommended by the Committee on Compact to go for a vote to the floor.
- Although the Compact Negotiation Act specifies that the Committee on Compacts is to prepare and introduce a joint resolution to approve the Compact “**without delay**” the joint resolution was not introduced and the Compact did not proceed to a vote of the Senate and House.
- There has been some discussion on whether the Navajo Nation’s Compact goes back to the Committee on Compact for another vote. However, it is the Nation’s position that the Compact has received this vote. It should have been immediately moved to the floor in line with the Compact Negotiation Act to introduce a joint resolution “**without delay**”. Unfortunately it was not.
- As stated by the President and Speaker, this has been a long and challenging initiative for the Navajo Nation. For five (5) years we have patiently followed the process outlined the Compact Negotiation Act.
- It is the Navajo Nation’s position this Compact does not go back to the Committee on Compact and should be moved to the House and Senate floor at the 2014 session for a yes or no vote.
- Again, as stated before, the 2013 Compact is an agreement between the Navajo Nation and the State of New Mexico, it is not binding on any other tribes. We have negotiated this compact to benefit the Nation and the Navajo people.
- I hope to have the support of this Committee on this important initiative. Thank you.