JOHN A. KITZHABER, MD
Governor

May 6, 2013

VIA HAND DELIVERY

Stan Speaks, Northwest Regional Director
Bureau of Indian Affairs – Division of Realty
911 NE 11th Avenue
Portland, Oregon 97232-4169

RE: Notice of Application of a 2.42-acre tract of land for Class II gaming purposes

Dear Director Speaks:

Thank you for the opportunity to provide comments on the proposed acquisition of land to be held in trust for the use and benefit of the Coquille Indian Tribe to operate a Class II gaming facility in Jackson County. As Governor of the State of Oregon, I take the government-to-government relationship with Oregon's sovereign nations very seriously. I also support and respect the need for the Coquille Indian Tribe and all tribes to pursue opportunities that allow for self-sufficiency and self-determination. As governments, we are all looking for ways to create jobs, expand economic growth and provide essential governmental services to our people. But as governments, the pursuit of economic gain cannot be at any cost. It must be weighed against our other responsibilities as governments which include protecting our people and our natural resources.

Although the current proposed project of the Coquille is a Class II casino over which the State's oversight of operations may be limited, the significance to the State and local communities is great. While I have concerns about the potential impacts and legal process relating to this particular casino, my most significant concerns are about the broader policy implications and the potential for expansion of casinos and gaming throughout the state.

I have long supported each of the nine sovereign tribes' pursuit of a single Class III casino with wide latitude on the types of gaming allowed and the proposed size of the casinos. At the same time, I have consistently opposed other expansion of gaming by both tribes and private parties. My "one casino per tribe" policy direction and the gaming compacts entered into between the State and the tribes provide support for the notion that, as a State, we have consistently attempted to strike a balance between tribal pursuit of economic enterprise and a check on the expansion of gambling in our State. This is a policy that has been well known and well enforced; and I have been vocal in opposing the expansion of casinos in Oregon.

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I understand that we are talking about one project of one tribe today and that the proposed project is a Class II casino. The larger policy issue is that casinos – whether Class III or Class II and whether tribal or private – impact our state, and as Governor, I have a responsibility to take reasoned actions considering potential future impacts. I do not believe that expansion of casinos is good for Oregon and to safeguard against an unprecedented expansion of gambling in this state, it should be of no surprise that I oppose this application.

For these reasons and other reasons articulated in the accompanying letter from my General Counsel, I urge the Secretary to exercise her discretion to deny the Coquille's application to take the land into trust for gaming purposes.

Please do not hesitate to contact me if I can be of further assistance in this application. My designated contact on this issue is my General Counsel Liani Reeves who can be reached at (503) 378-8636 or liani.reeves@state.or.us.

Sincerely,

John A. Kitzhaber, M.D.
Governor

cc: Sherry Johns (sherry.johns@bia.gov)

LJR/jja

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GOVERNOR

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RE: Notice of Application of a 2.42-acre tract of land for Class II gaming purposes

Dear Director Speaks:

On behalf of Governor Kitzhaber, I am outlining legal and policy concerns about the proposed acquisition of land to be held in trust for the use and benefit of the Coquille Indian Tribe to operate a Class II gaming facility in Jackson County. This letter further explains the Governor's policy concerns about the expansion of gaming and raises additional concerns about the impact to state and local communities and legal questions surrounding this particular casino proposal.

I. Opening the door to more casinos throughout the State conflicts with longstanding state policy.

As stated in his letter, the Governor has significant concerns about the policy implications and potential for expansion of gaming that are presented by this application. The Governor has long supported each of the nine sovereign tribes' pursuit of a single Class III casino with wide latitude on the types of gaming allowed and the proposed size of the casinos. At the same time, he has consistently opposed other expansion of gaming.

Governor Kitzhaber's position paper on gambling adopted in 1997 gave the following policy direction for tribal-sponsored gambling that included the following: "Agree with each Oregon tribe on one gambling site per tribe. The current compacts are site-specific. In other words, the tribes are limited to offering gambling only at specified sites. The Governor favors explicit agreement on this point in subsequent compacts." *Gambling in Oregon. A Position Paper*. Governor John A. Kitzhaber, M.D., September 24, 1997 (a copy of which is attached). Consistent with that policy direction, each of the tribal-state compacts with Oregon's nine federally recognized tribes is site-specific to a particular location and specifically contains language limiting the circumstances under which a tribe may seek to negotiate regarding another Class III casino.

The Coquille's Compact contains the following language:

> Only Compact between the Tribe and the State. This Compact shall be the only Compact between the Tribe and State pursuant to IGRA and any and all Class III gaming conducted in the Gaming Facility shall be pursuant to this Compact. Section 4.A.
>
> Gaming Location. The Gaming Facility authorized by this Compact shall be located on the Tribe's trust land at North Bend, Oregon. Section 4.C.
>
> Gaming at Another Location or Facility. For a period of five (5) years, the Tribe hereby waives any right it may have under IGRA to negotiate a Compact for Class III gaming at any other location or facility, unless another Tribe that is operating a gaming facility in this State as of December 31, 1997, signs a Compact that authorizes that Tribe to operate more than one gaming facility simultaneously, or unless a physical calamity occurs that makes operation at the existing location unfeasible. Section 13.A.

The context of the remaining compacts – each limiting the right to a casino at an additional location unless another tribe is authorized to do so – along with the State's long time stated policy of "one casino per tribe" provide support for the notion that, as a State, we have consistently attempted to strike a balance between tribal pursuit of economic enterprise and a check on the expansion of casinos in our State. This is a policy that has been well known and well enforced; and the Governor has been vocal in opposing the expansion of casinos in Oregon.

It is important to note that the Governor understands the distinction between Class III and Class II gaming and that the State has no regulatory role in Class II gaming. The State also understands that the restrictions in the Compacts only apply to Class III gaming. The larger policy issue is that casinos – whether Class III or Class II and whether tribal or private – impact our state, and as Governor, he opposes a project that could pave the way to an unprecedented expansion of gambling in casinos throughout the state.

The Coquille's argument that its Reauthorization Act authorizes land to be taken into trust for gaming purposes anywhere within its service area opens up a large geographical area in which the Tribe could open a casino anywhere from Brookings to Newport, from Ashland to Eugene, or anywhere within Coos, Curry, Douglas, Jackson or Lane Counties. In addition, other tribes may follow pursuit of Class II gaming casinos, a trend that would be bad for Oregon.

II. Allowing this Class II casino opens the possibility for conversion to a Class III casino.

An equally problematic aspect of this application is the possibility it provides for conversion to a Class III casino. While the Tribe currently proposes to only engage in Class II gaming at the Jackson County location, once the land is taken into trust for Class II gaming, we understand that the Tribe's position is that the land is then eligible for Class III gaming without additional fee-to-trust processes.

Representatives of the Tribe also have stated that they believe the Tribe is entitled to a second Class III casino, a position with which the State does not agree. The Coquille Compact explicitly prohibits the Tribe from pursuing another casino within five years of the original compact. Although the five years have passed, there is nothing in the Compact that automatically *entitles* the Coquille to a compact for a different or additional site. If this land is taken into trust for gaming, the State will face future conflict with the Tribe regarding this issue if the Tribe later decides it wants to pursue a Class III casino at that site.

We understand that the State has a role in Class III gaming because of the need for an approved tribal-state compact. However, the State's, local communities' and other stakeholder's only meaningful opportunity to object to whether Class III gaming should even occur on this particular land is now.

III. The Secretary has discretion to deny the Coquille's application to take the land into trust for the purposes of gambling.

In addition to policy concerns about the expansion of gaming generally, the Governor also has concerns about this particular proposed casino project. In evaluating the Coquille's application, the Secretary has *discretion* whether to take land into trust in this case. 25 CFR 151.11 states the Secretary shall consider a number of requirements in evaluating tribal requests for the acquisition of lands in trust status when the land is located out of and noncontiguous to the tribe's reservation, and the acquisition is not mandated—as is the case here. Among others, those requirements include:

- The purposes for which the land will be used [25 CFR 151.11(a) and 25 CFR 151.10(c)];
- Input from state and local governments on the potential impacts on regulatory jurisdiction, real property taxes and special assessments [25 CFR 151.11(d)]; and
- The distance between the tribe's reservation and the land to be acquired, giving greater scrutiny to the tribe's justification and giving greater weight to concerns of state and local governments as the distance between the tribe's reservation and the land to be acquired increases [25 CFR 151.11(b)].

Consistent with the requirements in 25 CFR 151.11, the Secretary should consider the following factors in exercising discretion in evaluating the current application. First, the Tribe is not seeking to take the land into trust for the provision of governmental services, such as to provide a health care clinic or housing for members in the Jackson County area; the explicit and primary purpose of the land is to conduct gaming. While the casino could provide economic benefits to the Tribe, this is not a case of a tribe that has no casino; the Coquille already operates a Class III casino in North Bend. The purpose for which the land will be used and the value added (or detracted) should be considered when exercising discretion.

Second, the proposed casino raises regulatory, fiscal, social and public safety concerns including potential for increased crime and the corresponding need for increased public safety resources; traffic congestion and the corresponding need for additional transportation and traffic control;

and drug and alcohol abuse and gambling addiction and the corresponding need for additional social services. The proposed casino could lead not only to increased burden on social services but also environmental impacts such as pollution and increased demand on local infrastructures including water, sewer and power. Additional concerns may be identified through the NEPA process. Because the facility would be a Class II casino, the State would not have the opportunity to address such impacts to the community in a gaming compact. For instance, under a Class III compact, the State and local governments have an opportunity to negotiate memoranda of understanding and other agreements to help address concerns about law enforcement resources, traffic mitigation and other burdens on the community and local infrastructure. No such opportunity is afforded here.

Although the Coquille have offered to discuss such issues, other than in a very general fashion, the Tribe has not outlined how it intends to mitigate these types of burdens to the local area and that the State is not convinced that the level of engagement with local partners has been sufficient to adequately address these concerns. The Governor also considers the City of Medford's and Jackson County's concerns a significant factor and would encourage the Secretary to do the same, especially considering the significant distance between the Tribe's current tribal headquarters and the proposed casino site in Medford.

IV. It is questionable whether the land meets the "restored lands" exception of IGRA.

Finally, there is also a question about whether the land in question is even eligible for gaming. As a general matter, gambling is prohibited on land taken into trust after the Indian Gaming Regulatory Act (IGRA) was enacted (October 17, 1988) unless it meets some exception under IGRA.

In its application, the Coquille asserts that it qualifies under the "restored lands" exception of IGRA. Under the "restored lands" regulations, a tribe may demonstrate that its restoration legislation either: 1. "requires or authorizes the Secretary to take land into trust for the benefit of the tribe within a specific geographic area and the lands are within the specific geographic area" (25 CFR 292.11); or 2. show that the tribe can demonstrate "modern connections to the land," "significant historical connection to the land," and a "temporal connection between the date of the acquisition of the land the date of the tribe's restoration" (25 CFR 292.12). The Coquille has not demonstrated that it meets the requirements to be considered as "restored lands."

A. It is questionable that the Coquille Restoration Act automatically qualifies the land as "restored lands" under 25 CFR 292.11.

The Coquille asserts that it meets the exception in 25 CFR 292.11 by contending that the Coquille Restoration Act "authorizes the Secretary to take land into trust for the benefit of the tribe within a specific geographic area and the lands are within the specific geographic area" and therefore meets the definition of "restored lands" under 25 CFR 292.11. While the Coquille Restoration Act required the Secretary to take 1000 acres of land into trust is Coos and Curry Counties at the time of restoration, the question is whether the Act's authorization that the Secretary "may" take additional land into trust in the future within a five-county service area automatically qualifies additional land taken into trust as "restored lands."

The Coquille Restoration Act, enacted in 1989, provides:

> "The Secretary shall accept any real property located in Coos and Curry Counties not to exceed one thousand acres for the benefit of the Tribe if conveyed or otherwise transferred to the Secretary; Provided, That, at the time of such acceptance, there are no adverse legal claims on such property including outstanding liens, mortgages, or taxes owed. The Secretary may accept any additional acreage in the Tribe's service area pursuant to his authority under the Act of June 18, 1934 (48 Stat. 984) [25 U.S.C.A. S 461 et seq.]." 25 USC Sec. 715c(a).

The Act provides that the Tribe's "service area" "means the area composed of Coos, Curry, Douglas, Jackson, and Lane Counties in the State of Oregon[.]" 25 USC Sec. 715 (5). The Coquille appear to be concluding that since Jackson County is located within the Tribe's "service area," that the land taken into trust automatically qualifies as "restored lands."

This is not a foregone conclusion, however. The Coquille Restoration Act does two specific things with respect to land acquisition. First, it states that the Secretary is required to take into trust for the benefit of the Tribe up to 1000 acres of land in Coos and Curry Counties. Second, it states that the Secretary "may"—but is not required to—acquire additional land in the Tribe's service area. The Act dictates that any additional land beyond the 1000 acres taken into trust at the time of restoration may be taken into trust not under the terms of the Coquille Restoration Act itself, but pursuant to "the Act of June 18, 1934" which is the Indian Reorganization Act (IRA). The Act further states that the Indian Reorganization Act, "[t]he Act of June 18, 1934 (48 Stat. 984), as amended [25 U.S.C.A. S 461 et seq.], shall be applicable to the Tribe and its Members." 25 USC Sec. 715a.(e). These provisions provide that land is not being taken into trust pursuant to the restoration act itself but through the IRA, reasonably implying that the IRA governs (and limits) the process through which land is taken into trust.

Unlike the land that was mandated to be taken into trust in the Coquille Restoration Act itself, it is questionable whether land taken into trust pursuant to the discretionary authority under the IRA automatically qualifies the land as "restored lands" that would be eligible for gaming under IGRA pursuant to 25 CFR 292.11.

Even if 25 CFR 292.11 was interpreted to apply here, it is not clear that meeting that regulatory standard – standing alone – would be consistent with the intent of IGRA. IGRA's "restored lands" provision, and the caselaw interpreting it, may require a greater showing, such as that required by 25 CFR 292.12, especially where the Restoration Act refers to lands encompassing as broad an area as does the Coquille's Act.

B. The Coquille has submitted no information to demonstrate that the land qualifies under 25 CFR 292.12.

Absent restoration legislation that requires or authorizes the Secretary to take land into trust as restored lands, under the regulations a tribe can meet the "restored lands" exception if it demonstrates "modern connections to the land," "significant historical connection to the land,"

and a "temporal connection between the date of the acquisition of the land the date of the tribe's restoration" as required under 25 CFR 292.12. Caselaw interpreting IGRA suggests that such showings may be required regardless of restoration legislation. In any event, the Tribe has submitted no information that suggests it would meet the requirements under 25 CFR 292.12.

V. Conclusion

For the reasons articulated in this letter, the Governor adamantly opposes any casinos – Class II or Class III – cropping up all throughout our state and encourages the Secretary to consider this risk in evaluating the Coquille's application. The Governor urges the Secretary to use her discretion to deny the Coquille's application to take the land into trust for the purposes of conducting gaming.

Thank you for the opportunity for the Governor to comment on this application. I am also including a copy of a letter from the Oregon Department of Transportation (ODOT) dated February 25, 2013, noting transportation and traffic mitigation concerns. ODOT's February 25, 2013 letter, the Governor's May 6, 2013 letter and this letter should all be considered as the State's response to BIA's request for comments on the Coquille's application.

Please do not hesitate to contact me if I can be of further assistance.

Sincerely,

Liani J. Reeves
General Counsel

cc: Sherry Johns (sherry.johns@bia.gov)

LJR/jja

KITZHABER
ERNOR

GAMBLING IN OREGON

A Position Paper

Governor John A. Kitzhaber, M.D.
September 24, 1997

TATE CAPITOL, SALEM 97310-0370 (503) 378-3111 FAX (503) 378-4863 TDD (503) 378-4859

Gambling in Oregon

Legalized gambling in the state of Oregon has a long history, beginning with legalization of *pari-mutuel* (race track) gambling in 1931. Over the next 45 years, it came to include social gambling, whereby citizens could play "friendly" games in public by local option, and statutes allowing charities to raise funds for good causes through an occasional casino night. Until recently, Oregonians have had no reason to regard such scaled-down, controlled gambling as anything more than an infrequent and harmless diversion.

In 1984, when voters authorized a state-run Lottery, gambling in Oregon acquired a new dimension. And now a further complication has arisen, in the form of a large and growing tribal-sponsored gambling industry. Taken together, the expansion of state-run and tribal-sponsored gambling raises a number of serious concerns about Oregon's social and economic future, and about how the good of the public is protected and preserved within this context.

Governor Kitzhaber's Response

In 1995, motivated by concern about the long-term social and economic implications of the expansion of state-run and tribal-sponsored gambling opportunities, Governor Kitzhaber appointed a task force charged with examining the history, nature, and effects of gambling in Oregon. Among the preliminary findings of this task force, chaired by then Oregon Attorney General Ted Kulongoski, was concern about addictive behavior which, in turn, was having a visible but unquantified social impact in communities throughout the state. But the data necessary to make an accurate determination about the true effect of this rapid expansion was not available. As a result, the Task Force made the following recommendations:

1. Oregon should avoid expansion of Lottery gambling until the long-term social impact of gambling can be more accurately measured.
2. The state should establish a research council charged with producing the necessary data for Oregon decision makers.[1]
3. Oregon law should be revised to reflect the changes in gambling which have occurred in the last 25 years and to attack illegal gambling.

[1] This recommendation resulted in the Volberg Study, jointly funded by the State Lottery, the Grande Ronde tribe and the treatment community. Its report on the demographics of gambling, addiction levels, and relative social costs of increased gambling was released in August 1997.

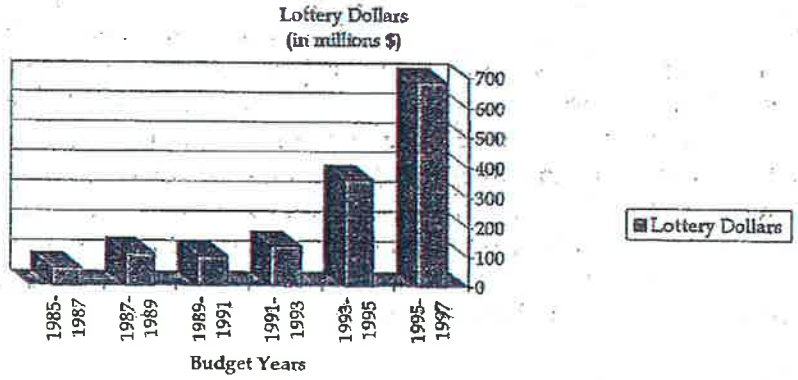
These are sound recommendations which require serious attention before the state commits to actions which continue to contribute to social and economic instability. Citizens, the Lottery Commission, the Legislature, and the Governor must all have an opportunity to provide meaningful solutions to the very real problems that we associate with gambling.

The following policy discussion outlines the history of state-run and tribal-sponsored gambling in Oregon and, for each, the Governor identifies his adopted policy framework for managing these issues. The Governor's actions to manage gambling will be pursued consistent with these policies

The State-Run Lottery

Thirteen years ago, when the Lottery was born, Oregon was struggling to combat the recession of the early 1980s. The original idea behind the Lottery was to develop an additional revenue source in lieu of taxes with the limited (though conveniently vague) purpose of providing funds "to create jobs and further economic development." Since then, both Lottery offerings and Lottery proceeds have steadily grown. And the state's dependence on Lottery revenues has grown as well.

Lottery offerings, which began with scratch tickets in 1985, have expanded to include weekly and daily drawings, keno, sports betting, and national lotteries offering millions of dollars in prizes each week. As a result, Lottery revenues have grown from $60 million in its first year to nearly $700 million in the biennium ending June 30, 1997.

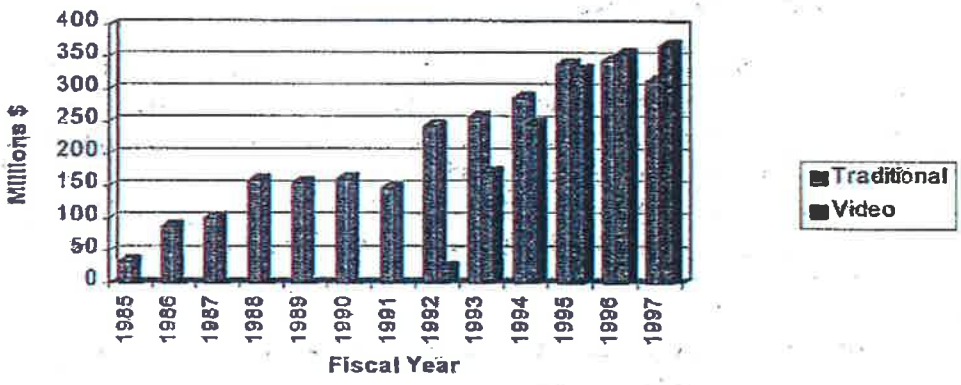


Source: Governor's Task Force on Gaming, 1996

Legislative introduction of video poker in 1991 created the potential for much larger revenues than was originally envisioned. In fact, proceeds from video poker have literally doubled total Lottery revenues for the past four fiscal years.

The increase in lottery dollars flowing to the State General Fund was made possible, in part, by the partnership between the State Lottery and many private retail establishments. These new General Fund dollars have brought benefits to the people of Oregon from educating our children to providing much needed rural infrastructure.

Traditional and Video Lottery Revenues



Source: Oregon State Lottery, June 6,1997

Nonetheless, as the dollars grew, state government and some private businesses began to rely more and more heavily on this revenue source. For example, the placement of video poker machines in OLCC-licensed establishments led to a greater dependence in the restaurant and bar business on the revenues that these machines could produce. Recently, we have even seen a new kind of business spring up: retail stores which receive a majority of their revenues from Lottery machines. At the state level, the unanticipated windfall of Lottery dollars was soon being allocated not just to job creation and economic development, but to natural resources, transportation, public safety, and even to local government. In 1995, voters approved a constitutional amendment adding the "financing of public education" to the list of allowable uses for Lottery proceeds.

Today, Oregon depends on gambling resources for nearly 10 percent of its budget, and state legislators have even begun making proposals based on Lottery dollars that have not yet materialized.

Given these facts, the time has come to re-examine the Oregon Lottery, to clarify the policy it reflects, and to determine whether it remains consistent with its original mandate: to maximize revenues commensurate with the public good.

Policy Directions: State-Run Lottery

The mandate for the Oregon Lottery Commission under the law is clear: to produce "the maximum amount of net revenues to benefit the public purpose described [in the Constitution], *commensurate with the public good.*" The Commission has done an exceptional job of "maximizing revenue" but, unfortunately, there has been no policy framework to ensure that their actions have been "commensurate with the public good."

This is not meant to fault the Commission. It is the responsibility of state policy-makers, not the Commission, to provide the context for balancing "revenue" with the "public good." This white paper reflects Governor Kitzhaber's position on how this balance should be struck.

There are three categories of gambling "addiction" or dependency in Oregon: (1) gambling addiction among individuals; (2) dependence on Lottery proceeds by certain retailer establishments, and (3) dependence on Lottery proceeds by the State of Oregon itself. Governor Kitzhaber believes that **it is not commensurate with the public good to increase addiction or dependency in any of these three categories.** Rather, we should take steps to reduce current levels of addiction and dependency.

Therefore, the following policy recommendations are set forth:

1. Reduce gambling addiction among Oregonians by increasing funding for identification, outreach, and treatment, and other measures
2. Reduce the dependence of certain retail establishments on Lottery proceeds by developing a narrower definition of "dominant use."
3. Reduce the dependence of the State of Oregon on Lottery proceeds by: (a) requiring a statutory ending balance for Lottery revenues, and (b) begin moving Lottery revenues out of operating budgets and dedicating them to "one-time" projects such as capital construction, basic infrastructure, equipment acquisition, etc.
4. Halt the expansion of the Oregon Lottery by prohibiting video line games and imposing a freeze on the number of Lottery machines until recommendations 1-3 (above) have been addressed.

Tribal-Sponsored gambling

The relation of tribal-sponsored gambling to legalized gambling policy in Oregon is more complex. To begin with, it has been well established under federal law that Indian tribes are "sovereign nations," entitled to their own form

of self-governance which is largely separate from and independent of state authority. Although Congress has extended criminal law jurisdiction of the states onto Indian lands, the tribes retain a high degree of independence in other areas, among which is the matter of gambling on tribal territory.

The role of the states in regard to gambling on tribal lands within their boundaries was clarified by a 1987 Supreme Court ruling and by the Indian Gaming Regulatory Act of 1988 (IGRA). The former held that tribes could offer any type of gambling not expressly prohibited by state law. The latter allowed Indian tribes to conduct casino-style house-banked games[2] on tribal land as approved by the Department of Interior, provided that the tribes and the state first negotiate a compact specifying how – not whether – such games will be conducted.

Beginning in 1992, the Roberts Administration entered into a series of compacts with eight of the nine federally-recognized tribes. The compacts allowed Video Lottery Terminals (VLTs) -- the Lottery had been authorized to field VLTs since 1989 – but limited them to 15 percent of total floor space. Other so-called Class III, or house-banked games, were not authorized in the first compacts.[3]

A look at these compacts indicates that at the time they were executed neither the state nor the tribes had a very clear conception of how the industry would grow or the impact it might have on the state as a whole. Moreover, the compacts give little attention to developing security standards across the industry and allow the Oregon State Police only a minimal security role.

Since taking office in 1995, Governor Kitzhaber has negotiated only one original compact with a tribe. However, negotiations with the tribes early in the Kitzhaber Administration resulted in a series of blackjack amendments[4] to the earlier compacts that accomplished the following:

1. Clarification of the legitimate security role of the Oregon State Police in connection with tribal-sponsored gambling.
2. Payment by the tribes of all OSP Gaming Unit costs associated with tribal-sponsored gambling operations.

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[2] The house-banked format is the one familiar to visitors to Las Vegas and Reno. It includes craps, roulette, blackjack and other table games where the players game against the house.

[3] In general, the distinction between Class III games and other types of Indian gambling is the house-banked feature. Tribes may offer Class II games (bingo, pull-tabs, etc.) without a compact.

[4] Under the original compacts, both the state and the tribes believed that blackjack could be offered in a Class II (i.e., non-house-banked) format. It was later determined that blackjack could only be offered in a Class III format.

In 1993, the first Indian casino in Oregon opened its doors. When Governor Kitzhaber took office in January 1995, there were two Indian casinos operating in Oregon. By September of that year there were six. In May 1997, a seventh casino commenced operations and an eighth tribe has begun to seek financing for a gambling venture, although operations are not expected to begin for at least two years.

Policy Directions: Tribal-Sponsored Gambling

Governor Kitzhaber supports the principle of tribal economic self-sufficiency and respects the sovereignty of the tribal governments. At the same time, he recognizes that the state has a vital interest in remaining actively involved in a growing casino industry within its boundaries.

The Governor has established the following guidelines to shape policy development in the field of tribal-sponsored gambling.

1. Agree with each Oregon tribe on one gambling site per tribe. The current compacts are site-specific. In other words, the tribes are limited to offering gambling only at specified sites. The Governor favors explicit agreement on this point in subsequent compacts.

2. Ensure the security of tribal-run games so that they are conducted safely and honestly.

3. Promote charitable grants from Indian casinos in order to build stronger ties between tribes and surrounding communities. Consider using some of these grants to combat gambling addiction.

Gambling Conclusion

This white paper points out that we face a challenge in how we will choose to approach the growth of tribal-sponsored gambling and state-sponsored gambling in Oregon.

Governor Kitzhaber believes that while this challenge has been evident over the past several years, the public debate about gambling has not concerned itself with answering the essential question of what defines "the public good." Governor Kitzhaber proposes in this paper a definition of the public good based on decreasing personal, commercial, and governmental addiction and dependence on gambling. He is hopeful that his policies will help foster a wider debate about what is meant by the directive to operate gambling "commensurate with the public good."

Oregon
John A. Kitzhaber, M.D., Governor

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February 25, 2013

National Regional Director
Bureau of Indian Affairs
911 Northeast 11th Avenue
Portland, OR 97232-4169

Re: Coquille Indian Tribe's Class II Gaming Trust Acquisition

Thank you for sending agency notice of a proposed application to include a 2.42 acre +/- tract in trust for the use and benefit of the Coquille Indian Tribe for Class II gaming purposes. The Secretary of Interior requested information of any services which are currently provided to the property by governmental agencies. The Oregon Department of Transportation (ODOT) currently operates and maintains state transportation facilities that provide transportation services and access to the site.

In general, we need to assure that OR 99 can continue to provide safe and efficient transportation services to the site for Class II gaming purposes, and identify traffic mitigation that will be needed at the time of development. We recommend that a traffic impact analysis be prepared to assess development impacts at all access points to OR 99, and at OR 99 intersections with Garfield Street and Charlotte Ann Road as well as Garfield Street with Center Drive. Depending on the vehicular trip generation for this facility, components of the I-5 South Medford interchange may be required in the analysis. A TIA will provide the necessary traffic information for ODOT and the Secretary of Interior to assess the impact of the removal of this property from the tax rolls.

Please send me a copy of the Bureau of Indian Affair's decision to approve or deny the application. You may contact me if you have questions or require additional information.

Sincerely,

Thomas Guevara Jr.

THOMAS GUEVARA JR.
Development Review Planner

CC: RVDRT
Gary Fish, DLCD
Alex Georgevitch, City of Medford