



United States Senate
WASHINGTON, DC 20510-0504
<http://feinstein.senate.gov>

March 19, 2007

The Honorable Byron Dorgan
Chairman
Senate Committee on Indian Affairs
838 Hart Senate Office Building
Washington, DC 20510

The Honorable Craig Thomas
Ranking Member
Senate Committee on Indian Affairs
838 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Dorgan and Senator Thomas:

I am writing to express my deep concern about a decision in the recent court case, *Colorado River Indian Tribes (CRIT) v. National Indian Gaming Commission*, and its ramifications for federal oversight of tribal gaming in California. Specifically, I would urge the Senate Committee on Indian Affairs to move expeditiously to clarify the National Indian Gaming Commission's (NIGC) authority to regulate Class III gaming.

This is a critical issue for the State of California, where over 50 tribal casinos are now generating an estimated \$7 billion in annual revenue. Under the tribal-state compacts governing these gaming facilities, there has been a clear understanding that the responsibility for regulation and oversight is divided between the tribes, the state, and the federal government. As a result of the recent *CRIT* decision, it is my understanding that the NIGC is no longer performing Class III audits and even reversed a decision to open a second office in California.

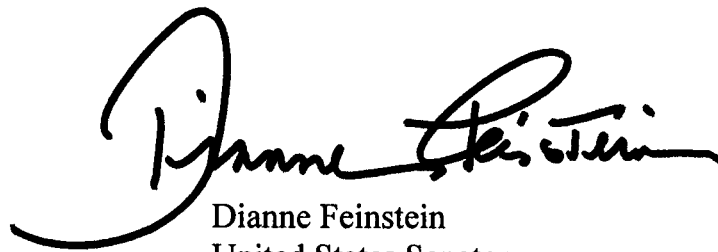
In fact, there is so much concern about this issue in California that earlier this month the State's primary State Gaming Agency, the Gambling Control Commission, proposed addressing the problem by allowing the State to enforce Minimal Internal Control Standards (MICS) relating to Class III gaming, a responsibility previously handled by the NIGC at the federal level. The Commission argues that this is necessary because the *CRIT* decision "changed that basic assumption and altered the regulatory landscape for tribal gaming in California."

In my view, it is critical that we increase the level of oversight and regulation to address the rapid growth of tribal gaming in California. Moreover, I believe that the federal government should continue to have a significant role in this process. Even if the State were to take measures to address the current oversight deficiencies, it could take years for an updated, effective enforcement regime to be established and effective.

Consequently, I would strongly urge you to take action to ensure that the federal government, under the auspices of the NIGC, continues to play a central role in regulating tribal gaming, particularly at the Class III level.

Thank you for your timely attention to this matter. I look forward to working closely with you to address this important issue for my state.

Sincerely,

A handwritten signature in black ink, reading "Dianne Feinstein". The signature is fluid and cursive, with a large initial "D" and a long, sweeping underline.

Dianne Feinstein
United States Senator

DF:jm