

## OFFICE OF THE GOVERNOR

December 21, 2006

Ms. Cheryl Schmit, Director Stand Up For California! Post Office Box 355 Penryn, California 95663

Dear Ms. Schmit:

I am writing in response to your December 4, 2006, letter to Governor Schwarzenegger regarding the case Colorado River Indian Tribes v. National Indian Gaming Commission, No. 05-5402 (D.C. Cir. Oct. 20, 2006). In the case, the U.S. Court of Appeals for the D.C. Circuit affirmed a District Court ruling that the National Indian Gaming Commission (NIGC) lacks the authority to promulgate or enforce its Minimum Internal Control Standards for class III gaming. In your letter, you highlighted the importance of the tribal-state compacts in ensuring effective regulatory oversight of Indian gaming in California.

Our office is evaluating the issues raised by the court ruling, and we are working with the California Gambling Control Commission to determine appropriate responses. In addition, as you may know, NIGC has asked the appellate court to reconsider portions of its opinion to clarify the reach of the decision, and we will continue to monitor the progress of the case. Please be assured that we appreciate the importance of effective regulatory oversight. As the tribal-state gaming compacts state, both the state and the tribes share a joint interest in ensuring that tribal gaming activities are free from criminal and other undesirable elements and in ensuring fair and honest operation of class III gaming.

Thank you for providing your views and analysis on this important matter to the Governor.

Sincerely.

Legal Affairs Secretary