



THE ASSOCIATE DEPUTY SECRETARY OF THE INTERIOR
WASHINGTON, DC 20240

FEB 13 2007

The Honorable Leroy J. Elliott
Chairman, Manzanita Band of Mission Indians
P.O. Box 1302
Boulevard, California 91905

Dear Chairman Elliott:

The Manzanita Band of Mission Indians (Tribe) has proposed that the United States take 60 acres in trust for a proposed casino project located in Calexico, Imperial County, California. The Tribe, which has approximately 108 members, owns approximately 4,580 acres of land in trust located east of the City of San Diego 60 miles from the proposed project.

Generally, the Indian Gaming Regulatory Act (IGRA) permits Indian Tribes to establish gaming operations on Indian lands upon which the tribe exercised jurisdiction as of October 17, 1988. Clearly, the Tribe did not exercise jurisdiction on the subject parcel in 1988, therefore it cannot be used for gaming purposes as a matter of law. However, IGRA provides several exceptions in Section 20 of IGRA.

The application from the Tribe seeks to obtain approval under an exception referred to in Section 20 of IGRA. Section 20 allows tribes to conduct casino gaming off-reservation if certain conditions are met. Please be advised that we share the concerns that many have expressed with off-reservation gaming and so-called "reservation shopping." During the 109th Congress, legislation was introduced in both the United States Senate and House of Representatives that would have significantly restricted or eliminated the options currently available to Indian tribes under Section 20.

As a result of the public concerns being reflected in the aforementioned proposed legislation and other concerns advanced by local jurisdictions, the Department will be reviewing the regulations that govern the processing of fee-into-trust applications (25 CFR Part 151). We anticipate changes to the rules that may result in fewer off-reservation properties being accepted into trust. In particular, we expect to consider a paradigm where the likelihood of accepting off-reservation land into trust decreases with the distance the subject parcel is from the Tribe's established reservation or ancestral lands, and the majority of tribal members.

Further, we plan to review our approach for soliciting and accommodating the views of elected officials (State, county, city, etc.) and community members in the local area as part of our IGRA Section 20 decisions. We also plan more detailed consideration of the

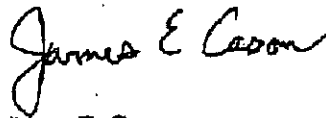
broad implications associated with new gaming operations with established communities where gaming is not currently conducted.

Finally, we expect continued Congressional efforts during the 110th Congress to restrict or terminate the options currently available under Section 20. Consequently, the Department plans to review its approach to evaluating Section 20 gaming applications to ensure that we are able to justify to concerned Congressional leaders any action the Department may take to approve an off-reservation gaming application.

Because the Department has not considered the relative merits of your Section 20 application yet, we cannot advise you further about its prospects for approval. We know that pursuing a Section 20 gaming application can be a long, challenging, and expensive process. We urge you to become fully aware of the changing environment and to discuss the risks of pursuing an off-reservation gaming application with your tribal council, legal counsel, and business partners. In addition, we urge you to consider fully the relative risks, costs, and benefits of pursuing an alternative on-reservation gaming initiative.

After your thoughtful review of the changing gaming environment, and if you should decide to commit the resources required to pursue your application further, we will work with the Tribe, representatives of local jurisdictions, the public, and Congress to ensure that we can properly evaluate your application.

Sincerely,



James E. Cason