



# NATIONAL INDIAN GAMING ASSOCIATION

Rebuilding Communities Through Indian Self-Reliance

## Regulatory Alert!

TO: NIGA Member Tribes

FR: Ernest L. Stevens, Jr., Chairman  
Jason Giles, Executive Director

DA: April 16, 2012

RE: Extension of Parts 543 and 547 Discussion Draft Comment Period

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On April 9, 2012 the National Indian Gaming Commission (NIGC) announced that it had extended the comment period on the discussion drafts for 25 CFR Part 543, Minimum Internal Control Standards for Class II Games and 25 CFR Part 547, the Minimum Technical Standards for Gaming Equipment Used in the Play of Class II Games, through **Friday, April 27, 2012**. The NIGC is seeking comments from Indian Tribes and the public regarding the discussion drafts.

On April 4, 2012, the NIGA Executive Committee passed resolution No. 002-SAN-EC-04-04-12 at the annual NIGA Conference and Tradeshow. A copy of that resolution is attached. The resolution supports the work the TAC was able to complete on the Technical Standards for Class II games and encourages the NIGC to adopt the recommendations of the TAC. The TAC recommendations included proposed revisions to the technical standards that would: 1) eliminate arbitrary restrictions in relation to grandfathered Class II gaming systems; 2) provide for cost effective laboratory testing by qualified testing laboratories as appropriate to system components rather than unnecessary and wasteful system-wide tests by a single designated laboratory; 3) remove arbitrary and legally irrelevant video display requirements; 4) eliminate arbitrary restrictions on pay tables; 5) establish appropriate minimum probability standards for progressive prizes; and propose other technical improvements.

We encourage you to submit comments in support of the TAC's recommendations. Shortly, we will forward you a model letter to assist you as you prepare your comments. Please submit comments by **Friday, April 27, 2012** via email to [reg.review@nigc.gov](mailto:reg.review@nigc.gov), or by U.S. mail to National Indian Gaming Commission, Attn: Regulatory Review, 1441 L Street, NW, Suite 9100, Washington, DC 20005.

Please contact Danielle Her Many Horses at 202-546-7711 or by email to [dhermanyhorses@indiangaming.org](mailto:dhermanyhorses@indiangaming.org) if you have any questions or concerns regarding this alert.



REDDING RANCHERIA  
TRIBAL COUNCIL RESOLUTION

021-04-24-12

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**SUBJECT:** Supporting the work of the Tribal Advisory Committee (TAC) on the revision of the National Indian Gaming Commission (NIGC) Class II Minimum Internal Control Standards and Technical Standards and urging the NIGC to adopt the Recommendations of the TAC.

**WHEREAS:** The National Indian Gaming Association (NIGA) is an intertribal association of 184 federally recognized Indian Tribes established to support Indian gaming and defend Indian sovereignty; and

**WHEREAS:** Tribal governmental gaming revenues allow NIGA members to advance their sovereignty by strengthening their self-governance, economic independence, health, education, law enforcement and social service programs; and

**WHEREAS:** NIGA has followed with interest the National Indian Gaming Commission's review of existing regulations of Class II gaming; and

**WHEREAS:** Tribal representatives of NIGA's member Tribes served on the Tribal Advisory Committee appointed by the NIGC to provide advice and recommendations to enhance and improve the quality and efficacy of the Class II regulations; and

**WHEREAS:** The TAC was unable to complete a comprehensive review of Part 543, the Minimum Internal Control Standards, (MICS), prior to the NIGC's unilateral decision to terminate the review process and cancel the last two scheduled TAC meetings; and

**WHEREAS:** The members of the TAC are independently continuing work on the Class II MICS; and

**WHEREAS:** The TAC was able to complete its review of Part 547, the Class II Technical Standards, and submit its written recommendations to the NIGC on January 12, 2012, along with a letter urging the NIC to move forward in promulgating these regulations; and

**WHEREAS:** The TAC recommendations included proposed revisions to the technical standards that would: 1) eliminate arbitrary restrictions in relation to grandfathered Class II gaming systems; 2) provide for cost effective laboratory testing by qualified testing laboratories as appropriate to system components rather than unnecessary and wasteful system-wide tests by a single designated laboratory; 3) remove arbitrary and legally irrelevant video display requirements; 4) eliminate arbitrary restrictions on pay tables; 5) establish appropriate minimum probability standards for progressive prizes; and propose other technical improvements.

**WHEREAS:** Adoption of those proposed revisions will operate to advance the effective regulation of Class II governmental gaming in a fair and effective manner; and

**WHEREAS:** Adoption of the proposed revisions to technical standards will advance tribal sovereignty by allowing more choices to tribes involved in governmental gaming, including the continued use of existing Class II games which will increase the economic benefit to tribes using those existing games, particularly in area of limited player participation, choice of testing laboratories, and will help avoid the unnecessary expense of complying with technical standards that do not improve regulation; and

**WHEREAS:** The TAC's work has the support and the encouragement of the National Tribal Gaming Commissioners/Regulators Association as expressed in Resolution No. 01-12, adopted March 15, 2012 and other intertribal organizations resolutions in support of TAC.

**NOW, THEREFORE, BE IT RESOLVED THAT,** by the National Gaming Associations, that the members of the Tribal Advisory Committee are congratulated on their hard work and exemplary service to Indian Country.

**BE IT FURTHER RESOLVED THAT,** the National Indian Gaming Commission supports the Tribal Advisory Committee and encourages the TAC to complete its work on the Class II Minimum Internal Control Standards "MICS"; and

**BE IT FURTHER RESOLVED THAT,** The National Indian Gaming Commission should use general principles and avoid excessive detail, especially on technologic issues, because that would make the regulations outdated almost as soon as they are promulgated

**BE IT FINALLY RESOLVED,** that the National Indian Gaming Commission is encouraged to promulgate revisions to its Class II technical standards regulations as a proposed guideline that reflects the TAC's advice and recommendations so that Indian Country may have the benefit of those proposed standards.

**CERTIFICATION**

The foregoing Resolution was approved by a vote of 6 for, 0 against and 0 abstentions, at a duly called Tribal Council Meeting of the Redding Rancheria, at which a quorum was present, this 24<sup>th</sup> day of April, 2012.

  
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Chairperson, Redding Rancheria  
Tribal Council

4-25-12  
Date

  
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Secretary, Redding Rancheria  
Tribal Council

4/25/12  
Date