

CHRISTINE O. GREGOIRE  
Governor



STATE OF WASHINGTON

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GAMBLING COMMISSION  
DIRECTOR'S OFFICE

December 23, 2006

John Ellis, Chair  
Washington State Gambling Commission  
P.O. Box 42400  
Olympia, WA 98504-2400

Dear Chairman Ellis:

I have been notified that your staff has reached a tentative compact with the Spokane Tribe. I know this has been a long and difficult process, and I would like to thank you, your staff, and the Spokane Tribe for your patience and diligence in working through issues raised by the first tentative agreement.

As you know, according to the statutory process, the Legislature will now review and hold a joint hearing on the proposed compact. The Gambling Commission will then hold a hearing, followed by a vote regarding whether or not to forward the document to me with a recommendation that I approve the proposed compact. Finally, if signed, it will be submitted to the Secretary of the Interior for review and final approval. While this process is just beginning, I think it is important to share with you some of the issues I believe are important to consider.

Following the first tentative agreement, I asked the parties to reconsider the provisions related to the siting of off-reservation facilities, the process for leasing machines for the benefit of non-gaming tribes, the number of authorized machines, and revenue sharing. My concern was that these elements should have greater consistency with current state Tribal Compacts, which have served our state well in regulating tribal gaming as it has evolved.

As the Commission moves forward in reviewing this new agreement, I know you will consider the specific circumstances of the Spokane Tribe, which is of paramount importance in honoring the government-to-government relationship. However, please remain mindful of the impact of this compact on other tribes. The Spokanes should receive the same benefits of similarly situated tribes, and this proposed compact should not upset the balance of equality and individuality contained in each tribal gaming compact.

I have made it clear on several occasions that I am personally opposed to gambling. However, I am committed to honoring the commitments made by the state in prior compacts and complying with federal law. I understand that components of the current compacts must evolve over time as a result. Congress passed the Indian Gaming Regulatory Act in 1988 to provide Native American tribes a means to promote tribal economic development, self-sufficiency, and strong



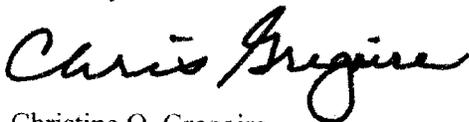
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tribal governments. All Washington tribes, big and small, urban and rural, have benefited from tribal gaming. This is a result of Washington's unique state tribal compact structure. I understand that adjustments to the current system may be necessary to fulfill the state's legal obligations to make machines available to the Spokanes, but any adjustments must adhere to the fundamental goal of supporting the economic development of all tribes.

As you know, tribal casinos are wholly owned by the tribal government and revenues generated are used to promote tribal development. Tribes have built health clinics, needed infrastructure, and have expanded educational opportunities for their communities. Tribal members and non-tribal members have benefited from these investments. I do not believe revenue sharing is necessary so long as tribes remain committed to investing in programs that benefit tribal and non-tribal members, including initiatives that mitigate the impacts of gaming. In particular, I believe there should be a commitment to preventing problem gambling.

I hope my comments will assist the Commission's review of the tentative agreement. I look forward to reviewing the comments and thoughts gathered during the legislative and Gambling Commission hearings.

Sincerely,

A handwritten signature in black ink, reading "Christine O. Gregoire". The signature is written in a cursive, flowing style.

Christine O. Gregoire  
Governor