Michael Lang Conservation Director Friends of the Columbia Gorge

Testimony
Before the Committee on Indian Affairs
United States Senate

Oversight Hearing on Indian Gaming February 28, 2006

On the behalf of Friends of the Columbia Gorge, I would like to express our thanks to Senator McCain for inviting us to provide testimony to the Senate Committee on Indian Affairs. Friends of the Columbia Gorge (Friends) supports reform to the Indian Gaming Regulatory Act (IGRA) by requiring greater community consultation and approval and placing restrictions on what is commonly referred to as "off-reservation gaming." Friends supports removing the loophole in the legislation that would exempt current off-reservation proposals from the amendments. In addition, we support amending the IGRA by prohibiting Indian gaming casinos within our national parks and national scenic areas.

Friends of the Columbia Gorge (Friends) is a non-profit organization with 4,200 members dedicated to protecting and enhancing the scenic, natural, cultural, and recreational resources of the Columbia River Gorge. Our membership includes hundreds of citizens who reside in the six counties within the Columbia River Gorge National Scenic Area. Not only do our members live and work in the Columbia Gorge, they use the National Scenic Area for hiking, photography, plant and wildlife viewing, camping, rock climbing, river travel, windsurfing and other recreational pursuits.

The Columbia River Gorge is truly a national scenic treasure. Stretching 85 miles in length, it is the only sea level passage through the Cascade Mountains. Its dramatic cliffs, plunging waterfalls and diversity of climates and ecosystems have captivated people for thousands of years. The Columbia River Gorge National Scenic Area Act (Scenic Area Act), passed by Congress in 1986, protects and enhances the aesthetic, biological, ecological, economic, historic, and recreational values of the Columbia River Gorge. Indeed, the Gorge has long been considered a special area and efforts to protect the Gorge dates back to the early 1900's. In 1915, the Forest Service established Eagle Creek in the Gorge as the first U.S. Forest Service Recreation Area in the nation. The Gorge received consideration as a national park in 1916 and continuing development pressures lead to the passage of the Scenic Area Act in 1986. The Scenic Area Act received bipartisan support in Congress and was signed into law by President Ronald Reagan.

The Columbia River Gorge National Scenic Area in Oregon, as well as Washington, would be significantly and adversely impacted by the Tribe's proposed casino complex, intended to consist

of a 600,000-square-foot facility that would include a casino, hotel, spa, restaurants, and several meeting and entertainment venues. The proposed casino and its immense parking areas would be visible from the Pacific Crest National Scenic Trail, the Historic Columbia River Highway, Interstate 84 and the Columbia River. These are all designated as "key viewing areas" within the National Scenic Area. The proposed casino would be visible for miles along the Columbia River Gorge and would adversely affect the scenic beauty of the Columbia River Gorge. The casino would significantly increase the level of noise and light pollution in the Gorge. The Scenic Area and the Columbia River would receive the wastewater discharge caused by this casino resort. A substantial containment system for parking lot run-off would have to be built. Fish and wildlife habitat, including existing bald eagle sites, osprey nests, blue heron rookeries, and salmon habitat would likely be harmed by the casino development.

The casino is projected to attract three million visitors each year, increasing automobile traffic and causing air pollution in an area that is already suffering from this problem. According to "IMPROVE" visibility monitoring sites within the Columbia River Gorge, visibility is impaired 95% of the time within the National Scenic Area due to air pollution. The recently released "Fog Water Deposition Study," carried out by the U.S. Forest Service, reports that acid rain and fog levels within the National Scenic Area are ten to thirty times more acidic than normal rainfall. Introducing millions more cars into the Columbia River Gorge every year would only exacerbate this existing problem. Perhaps most damaging would be the spin-off development and cumulative effects associated with such a large-scale casino. These impacts would disrupt the carefully balanced land use plan that has been achieved under the National Scenic Area Act.

For these reasons, Friends of the Columbia Gorge and its allies are opposed to the Warm Springs Tribe's effort to relocate an established and successful casino from its existing reservation to an off-reservation location within the heart of a National Scenic Area. We have joined with the Oregon Restaurant Association, the Oregon Family Council, the Confederated Tribes of the Grand Ronde and many other citizen groups, both within the Gorge and across the state, to oppose a mega-casino within our national scenic treasure, the Columbia River Gorge.

On introduction of S. 2078, you stated that the bill would eliminate the authority of the Secretary to take off-reservation land into trust under the two-part determination provisions of Section 20. We strongly support these goals. You also stated that the bill would curb the process of reservation shopping while not unfairly penalizing those who lost their lands through no fault of their own. While we support the balance you are attempting to strike, Friends believes that the legislation can do more.

We have long been opposed to the Warm Springs Tribe's efforts to relocate its existing, successful, on-reservation casino from its 640,000-acre reservation to an off-reservation site in the Columbia River Gorge. Although many area tribes have a historical relationship with the Gorge and a desire to establish off-reservation casinos, Warm Springs is the only Tribe to have pressured the State to allow it to exploit the natural values of the Columbia River Gorge to

advance its economic self-interest by siting a casino resort as close as possible to the Portland metropolitan area, the state's largest population center.

The Tribe's efforts to develop in the Gorge began in 1998 with a proposal for a 50,000 square-foot casino. In 2000, the Tribe proposed to locate a casino east of the City of Hood River on a small, unsuitable tract of land located adjacent to the Senator Mark O. Hatfield Trail. The United States Forest Service, responsible for reviewing all federal actions within the Scenic Area for consistency with the Scenic Area Act, determined that the Tribe's request to place newly acquired fee lands into trust for the purpose of providing access to the Hood River site would violate the Scenic Area Act. Governor John Kitzhaber rejected the proposal in 2002. The Hood River proposal was unlawful and was viewed by many as an empty threat designed to leverage approval at another Gorge location such as Cascade Locks. Former Governor Kitzhaber also rejected the Cascade Locks proposal in 2002.

Former Governor Kitzhaber opposed both the Cascade Locks and Hood River sites on a number of grounds, including the State's longstanding policy of limiting Indian gaming to one casino per Tribe located on an established reservation. This policy has worked well for the State and the Tribes, preventing the undesirable and environmentally harmful practice of "casino-shopping," while at the same time allowing the Tribes to advance their economic goals through on-reservation development in a manner fair to all Tribes. With nine in-state Tribes, eight of which have existing on-reservation casinos, the implementation of Oregon's longstanding policy has been a model of fairness and certainty, promoting economic growth balanced with sound environmental and land use management principles.

However, since the election of our current Governor in 2002, we feel that the political, legislative and statutory processes have failed to protect the people of Oregon and the Columbia River Gorge. We, including our diverse group of allies, have been shut out of the political process by a Governor, who as a candidate promised to oppose the Warm Springs Gorge Casino proposal, but as Oregon's Governor, turned his back on his supporters and negotiated a compact with the Tribe with no process for input from the public. Never were the residents of the Gorge, citizens of Oregon or members of other tribes in Oregon consulted about a proposal that would throw out Oregon's current policy barring off-reservation casinos, place the state's largest casino resort in the middle of a National Scenic Area and set a precedent for a dramatic increase in gambling in the state. Under the proposal the casino itself would be a serviced by a 250-room hotel, spa, convention facility, retail shops, interpretive center, restaurants, a daycare facility for the children of parents gambling at the casino and parking for 3,700 vehicles. That is enough parking to accommodate more than three times the actual population of Cascade Locks.

Proposing to place a mega-casino and resort in the middle of a National Scenic Area is no different that proposing to place a casino in Yosemite, the Grand Canyon or Yellowstone National Park. There is truly a national interest at stake, yet the IGRA fails to consider the regional and national implications of allowing a casino resort within the National Scenic Area.

The Tribe submitted the Compact to the Secretary of Interior in April, 2005. On May 5, 2005, Kevin Gorman, Executive Director, Friends of the Columbia Gorge, Mike McCallum, President/CEO, Oregon Restaurant Association and Tim Nashif, Political Director, Oregon Family Council wrote to Secretary Norton asking her to reject policy changes that would allow off-reservation casinos in Oregon. (Attachment 1) On May 20, 2005, the Secretary disallowed the Compact.

Quoting from the May 20, 2005, letter from Jim Cason, then Associate Assistant Secretary of Interior (Attachment 2):

"In addition, compliance with the requirements of Section 20(b)(1)(A) of IGRA will have to be addressed before the land is eligible for gaming. This provision of IGRA requires a Secretarial determination, following consultation with appropriate State and local officials, including officials of nearby tribes, that a gaming establishment on newly-acquired trust lands is in the best interest of the Tribes and their members, and not detrimental to the surrounding community. **After the determination is made,** the Governor of the State must decide whether he will concur in the Secretary's determination. Therefore, approval of the Compact before the Cascade Locks Land is taken into trust would violate Section 2710(d)(8)(A) of IGRA, and thus, the Compact must be disapproved."

"When Congress revisits a statute giving rise to a longstanding administrative interpretation without pertinent change, the 'congressional failure to revise or repeal the agency's interpretation is persuasive evidence that the interpretation is the one intended by Congress." Doris Day Animal League v. Veneman (D.C. Cir. Jan. 14, 2003)

In the event S.2078 becomes law, it remains to be seen if the interpretation of the Department of Interior will be construed by a court in review as "longstanding administrative interpretation." At the very least, if it is not the Committee's intent to disturb the Secretary's invalidation of the Compact and require the Governor comply with the statute, we hope that you will work with us to include language in the Committee report that makes this clear.

Your legislation eliminates the two-part determination test for the rest of the nation, but exempt out from that scheme Tribal petitions to take land into trust for purposes of gaming that the Secretary was in the process of reviewing before November 18, 2005. Your legislation is designed to protect the people of the United States from the ills of reservation shopping and trust land roulette. The purpose is to restore some balance to communities while still allowing full sovereignty on reservations. Why don't we deserve the same protection?

Senator, the desires of the residents of the Gorge and indeed the desires of the people of the State of Oregon have been ignored. Indeed we have been effectively shut out of the process. The local Bureau of Indian Affairs officials, who are responsible for preparing an Environmental Impact Statement (EIS) as required by the National Environmental Policy Act (NEPA), continue to allow the process to be driven by the applicant Tribe and its consultants. The result

is a process slanted toward their desired outcome of an off-reservation casino in the Columbia Gorge.

The purpose, need and range of alternatives are cornerstones of NEPA review. The BIA has sought to frame the purpose and needs statement in such a way that it would lead to approval of an off-reservation in the Gorge. The BIA is seeking to limit the range of alternatives that will be examined in the EIS to only two sites, both within the Columbia River Gorge. The BIA is refusing to consider on-reservation sites for a new casino and refused to hold a public hearing on or near the reservation, thereby restricting the ability of tribal members to participate in the NEPA scoping process.

Procedural errors have been common, particularly with regard to filing notice in the Federal Register prior to initiation of the public comment periods. The public scoping hearings were run by the Tribes consultants without legitimate opportunities for public comment. Often, questions asked by the public and directed to the BIA were answered by legal counsel for the Tribe.

The Section 20, two-part determination in IGRA fails to adequately consider the impacts to affected communities because it only considered impacts to communities within a ten-mile radius of the proposed casino site. This is a standard that might work in the eastern United States where communities are much closer together, but is inadequate in the western United States where communities are more widely dispersed. The very reason why the Warm Springs Tribe is seeking the establishment of an off-reservation casino in Cascade Locks is to exploit the gaming market in the Portland metro area. Cascade Locks is at the very edge of the Tribe's aboriginal range and is as close as the Tribe can get to the metro area. Yet, under the ten-mile radius rule, the concerns of Portland, Gresham, Vancouver, Troutdale and many other surrounding communities won't matter to the BIA even though these communities and their citizens will be adversely impacted by added traffic, congestion, and the social impacts that are associated with increased gambling.

If the people of Portland and its surrounding communities are the target of this off-reservation casino, and let there be no mistake that they are, then their concerns must be heard within the two-part determination. On a broader scale, there is a national interest at stake when a large casino resort is proposed within the heart of a National Scenic Area, yet there is no clear provision for evaluating the national interest at stake within the two-part determination in the IGRA.

Oregonians are opposed to off-reservation casinos in general and to an off-reservation casino in the Columbia Gorge, in particular. In recent poll of registered voters in Oregon 63% of respondents were opposed to an off-reservation casino in the Columbia Gorge and 68% would vote against it if it were put before Oregon voters in the form of a referendum. (May 10, 2005, by Greg Strimple, Mercury Public Affairs, N=400, +/-4.9%) (Attachment 2)

It is no surprise that Oregon residents are opposed to an off-reservation casino within one of the crown jewels of our state. The Columbia River Gorge National Scenic Area is precisely the kind of location that should be protected from development of this nature.

Our lives, our land and a jewel in America's crown are being sold and paid for with reservation shopping and trust land roulette. For this reason, we wish to be included in protections afforded by your legislation.

There is no legal basis for the Warm Springs proposal to have access to a loophole through which they might be excluded from the Section 20 amendments in S. 2078. The Tribe has embarked on a highly speculative venture that has only been successfully used three times since the passage of the IGRA. Out of 411 tribal casinos in the country, only three were approved through use of the two-part determination. It would be especially unfair to reward the Warm Springs Tribe, a successful tribe with the largest reservation in Oregon, when all other tribes in Oregon have adhered to the existing policy in Oregon that limits casinos to on-reservation sites.

The Warm Springs Tribe has long been recognized as an extraordinarily successful tribe in a number of sources, including Charles Wilkinson's book "*Blood Struggle*,"-, which features Warm Springs as a prime example of a self-sufficient tribe. Please consider that the Warm Springs Tribe has a vast reservation with U.S. Highway 26 running through it and an intersection with U.S. Highway 97 only 10 miles from the eastern boundary of the reservation. This area is the fastest growing region in the State of Oregon. However, the Tribe's existing casino is located miles away from U.S. Highway 26 in an isolated part of the Warm Springs' reservation.

If the Warm Springs Tribe were to locate a new **on-reservation** casino along U.S. Highway 26, that casino would generate much more revenue for this already successful Tribe, provide many more jobs for tribal members closer to their homes, maintain Oregon's policy barring off-reservation casinos and would protect the Columbia River Gorge, one of America's natural scenic treasures, from the ill-effects of a Las Vegas-sized casino.

In addition, we respectfully propose that the committee consider the prohibition of casinos within our national parks, wilderness areas, national scenic areas and national recreation areas due to the inherent conflicts between large-scale casino gaming and the preservation of natural, scenic and natural resource-based recreational values. The Congress of the United States has made a determination that these are special places.

The Columbia Gorge National Scenic Area was established by Congress to protect and provide for the enhancement of the scenic, cultural, recreational and natural resources of the Columbia River Gorge. That legislation, out of respect for the native peoples, required the protection of archaeological and culturally significant sites. It also required that development take place in a way that would not adversely affect the scenic, cultural, recreational or natural resources inherent in the Columbia Gorge. Shouldn't the protections of your bill be extended to the residents of the Gorge and the Portland/Vancouver area who at the real target of this proposal? Shouldn't our national scenic treasure be protected from being turned into a Mecca for casino gambling?

We are waging a titanic battle to save the very resource this Congress acted so wisely to protect. Please do not ignore our pleas for help.

Thank you very much for you interest and attention to this issue.

Attachment 1

[Letterhead – Coalition for Oregon's Future] Mike McCallum, Oregon Restaurant Association Kevin Gorman, Friends of the Columbia Gorge Tim Nashif, Oregon Family Council

May 9, 2005

The Honorable Gale Norton Secretary of the Interior 1849 C Street, NW Washington, D.C. 20240 Via Fax 202-208-6956

Dear Secretary Norton:

We are writing to express our opposition to the proposed off-reservation casino at Cascade Locks in the Columbia River Gorge National Scenic Area, 30 miles east of the City of Portland. We urge you not to approve the proposed compact and additional administrative approvals required to site, build and operate an off-reservation casino in Oregon.

Collectively, our three organizations represent over 42,000 Oregonians. We have never before come together on an issue, but now are working together for a common cause: protecting the natural environment, protecting small businesses, and protecting our state and families from a radical change in state and federal gaming policies to allow off-reservation casinos.

If approved, this policy change would not only open the door to an explosion of casinos in Oregon, it would severely harm hundreds of small businesses because of increased labor and pricing competition. It would also result in lost revenue to state programs, such as public schools, which last year received over \$400 million from Oregon's state-run lottery programs. Further, it would harm the scenic beauty and natural heritage of the Columbia River Gorge by endangering nearby bald eagle habitat and increasing air pollution and traffic congestion from the three million people per year expected to visit the casino. Off-reservation casinos in Oregon are not in the long-term best interest of our children, our families, the State of Oregon and the Native American Tribes that currently enjoy public support for their existing on-reservation gaming operations.

Rest assured, we respect the rights of all Native American tribes to build and operate casinos on their reservation lands. But we do not believe the state and federal government should adopt new policies that treat different tribes differently. Such policies will lead to casinos far beyond what was envisioned when tribes were granted authority to build on-reservation casinos as a means to improve the lives of their members.

Oregon is a magnificent state, but a change in federal gaming policies to allow offreservation casinos threatens our scenic treasures, and would lead to further moral and social decay with casinos located in and near our major cities, hurt hundreds of small businesses because of competitive advantage and reduce funding for state programs that currently depend on a healthy state-run lottery.

It takes an enormous threat to bring conservationists, restaurant and beverage operation owners, and pro-family organizations together. But a radical change in federal policy to allow off-reservation casinos just minutes from Portland and Multnomah County neighborhoods is such a threat. It's a threat to our beloved Columbia River Gorge, our fragile small business economy, our public schools budget and our families, who already face numerous societal challenges in raising their children.

We urge you to help us maintain the current policies that permit each tribe a single casino on its reservation lands as a source of income and independence for members. We urge you to reject policy changes that allow off-reservation casinos in Oregon. Individually, our organizations intend to bring additional, more specific concerns to your attention on this matter, but we believe our collective voice should also be considered as you evaluate what is in the best interest of our state and nation.

Thank you for your consideration.

Sincerely,

Kevin Gorman, Executive Director Friends of the Columbia Gorge

Michael McCallum

President/CEO, Oregon Restaurant Association

Tunnuly

Tim Nashif, Political Director, Oregon Family Council

CC:

Oregon Congressional Delegation Jim Cason, Acting Assistant Secretary of Indian Affairs George Skibine, Director of Indian Gaming Management



United States Department of the Interior

OFFICE OF THE SECRETARY Washington, DC 20240



MAY 2 0 2005

Honorable Theodore R. Kulongoski Governor, State of Oregon State Capital, Salem, Oregon 97301-4047

Dear Governor Kulongoski:

On April 8, 2005, we received the Tribal-State Compact for the regulation of Class III Gaming between the Confederated Tribes of the Warm Springs Reservation of Oregon (Tribes) and the State of Oregon (State), executed on April 6, 2005 (Compact). Under the Indian Gaming Regulatory Act (IGRA) 25 U.S.C. § 2710(d)(8)(C), the Secretary of the Interior (Secretary) may approve or disapprove the Compact within forty-five days of its submission. Under IGRA, the Secretary can disapprove the Compact if she determines that the Compact violates IGRA, any other provision of Federal law that does not relate to jurisdiction over gaming on Indian lands, or the trust obligation of the United States to Indians.

Decision

We have completed our review of the Compact along with the submission of additional documentation submitted by the parties and some third parties. For the following reason, the Compact is hereby disapproved.

Discussion

Article V(C) of the Compact authorizes a gaming facility on the Cascade Locks Land, "provided that the federal government takes the Cascade Locks Land into trust for the Tribes for gaming purposes pursuant to Section 20(b)(1)(A) of IGRA, 25 U.S.C. § 2719(b)(1)(A)." Section 2710(d)(8)(A) of IGRA authorizes the Secretary "to approve any Tribal-State compact entered into between an Indian tribe and a State governing gaming on Indian lands of such Indian tribe." This section does not authorize the Secretary to approve a compact for the conduct of Class III garning activities on lands that are not now, and may never be, Indian lands of such Indian tribe.

In addition, IGRA requires that gaming may only occur on lands subject to the tribe's jurisdiction and over which the tribe exercises governmental power. Currently, the Cascade Locks Land is not currently held in trust for the benefit of the Tribes and will have to undergo a rigorous process under 25 C.F.R. Part 151 before a decision can be made regarding whether to take the land into trust. In addition, compliance with the requirements of Section 20(b)(1)(A) of IGRA will have to be addressed before the land is eligible for gaming. This provision of IGRA requires a Secretarial determination, following consultation with appropriate State and local officials, including officials of nearby tribes, that a gaming establishment on the newly-acquired

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trust lands is in the best interest of the Tribes and their members, and not detrimental to the surrounding community. After this determination is made, the Governor of the State must decide whether he will concur in the Secretary's determination. Therefore, approval of the Compact before the Cascade Locks Land is taken into trust would violate Section 2710(d)(8)(A) of IGRA, and thus, the Compact must be disapproved.

We are aware that the Department has previously approved compacts for the regulation of class III gaming activities before the specified lands qualified as Indian lands under IGRA. However, on closer examination of the statute, we have concluded that the Secretary's authority to act on proposed compacts under 25 U.S.C. § 2710(d)(8)(A) is informed by Section 20 of IGRA. Thus, the proposed gaming lands are subject to a two-part determination and State Governor concurrence under section 20. These two conditions must be complete before Departmental action on a compact can occur.

This decision does not address the other terms and conditions embodied by the proposed compact. The Department is supportive of the efforts of the Tribes and the Governor to discuss Indian gaming. The Department is encouraged by the prospects that there is a foundation for mutual agreement on these issues at some point in the future.

Only after the Tribes have acquired the Cascade Locks Land into trust, will the Department consider the terms and conditions of a timely submitted compact pursuant to the applicable provisions of IGRA. Until then, we trust that the Warm Springs Tribes will continue to engage in Class III gaming activities on its reservation.

We regret that our decision could not be more favorable at this time. A similar letter is being sent to the Honorable Ron Suppah, Chairman, Confederated Tribes of the Warm Springs Reservation of Oregon.

Sincerely,

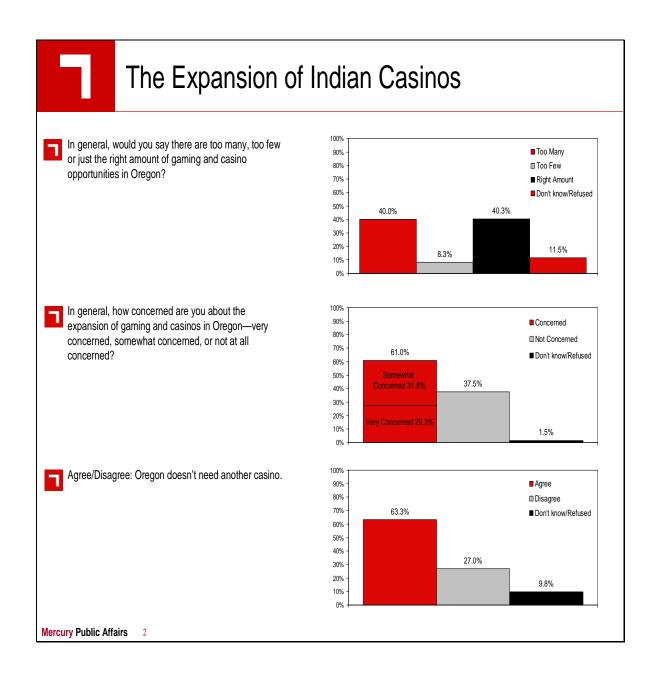
James E. Cason

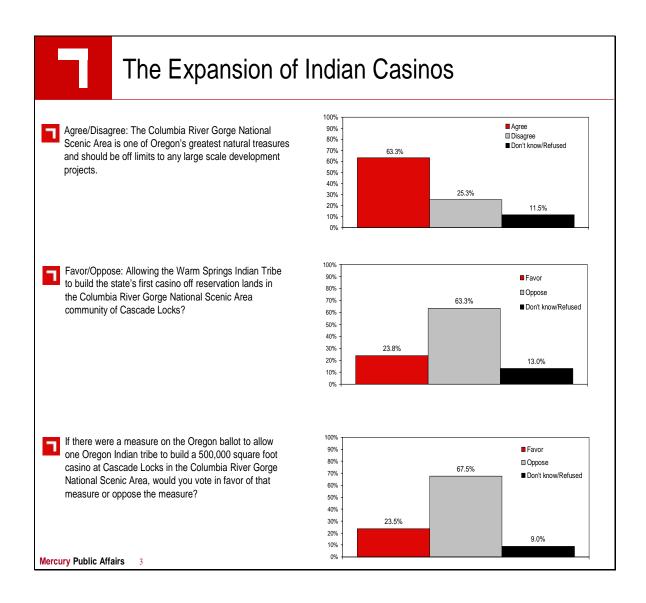
Associate Deputy Secretary

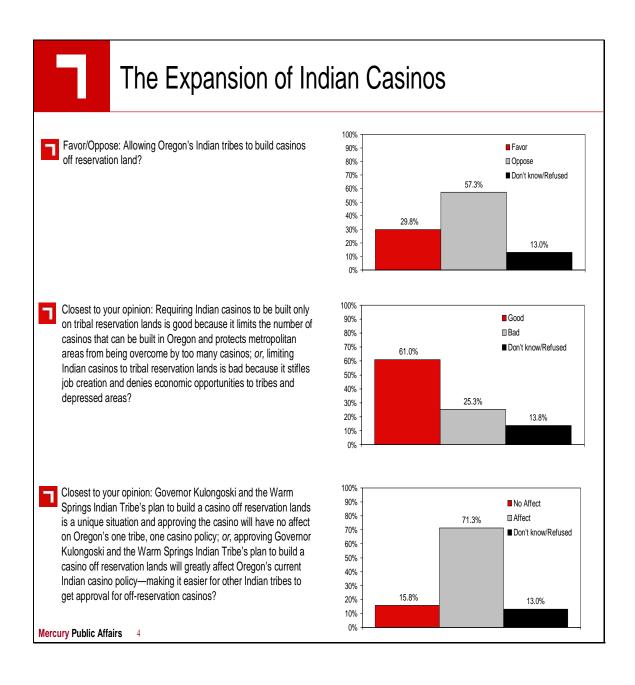
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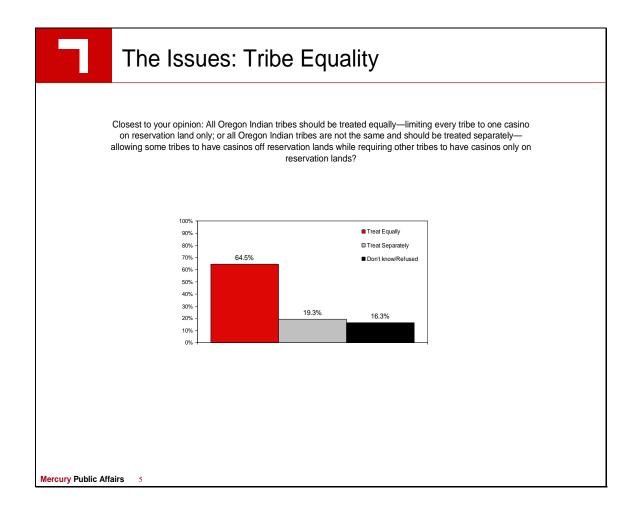
Attachment 3

Oregon Statewide Survey Presented By: Greg Strimple Mercury Public Affairs 137 Fifth Avenue, 3rd Floor New York, NY 10010 212 681-1380 www.mercurypublicaffairs.com Conducted May 10, 2005 N-400 Likely Voiess Margin Of Error: 4f-4.9%





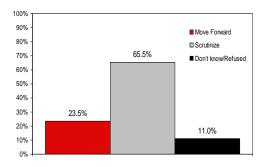






The Issues: Process & Inertia

Closest to your opinion: Oregon's Senators and members of Congress should work closely with Governor Kulongoski to make sure the Warm Springs Indian Tribe's plan to build a casino off reservation lands in Cascade Locks is approved; or, Oregon's Senators and members of Congress should scrutinize every aspect of Governor Kulongoski's plan allowing the Warm Springs Indian Tribe's to build a casino off reservation lands —even if it results in not building the casino in Cascade Locks?



Mercury Public Affairs