



OFFICE OF THE GOVERNOR
COMMONWEALTH OF MASSACHUSETTS
STATE HOUSE • BOSTON, MA 02133
(617) 725-4000

DEVAL L. PATRICK
GOVERNOR

TIMOTHY P. MURRAY
LIEUTENANT GOVERNOR

March 27, 2013

To the Honorable Senate and House of Representatives:

I am submitting for your consideration the attached "Tribal-State Compact between the Mashpee Wampanoag Tribe and the Commonwealth of Massachusetts." This Compact was executed last week with the federally-recognized, sovereign Mashpee Wampanoag Tribe.

The Compact was negotiated pursuant to the federal Indian Gaming Regulatory Act (IGRA) and Section 91 of Chapter 194 of the Acts of 2011 (Expanded Gaming Act). The Compact establishes, as required under IGRA, the relationship between the Tribe and the Commonwealth for the operation of a tribal casino in Taunton and sets out, in detail, a structure for the operation of such a casino.

As you are aware, last fall the U.S. Department of the Interior's Bureau of Indian Affairs (BIA) disapproved the Compact to which the Commonwealth and the Tribe initially agreed. Consequently, we went back to the negotiating table with the Tribe, we closely reviewed the BIA disapproval letter and we reached an agreement with the Tribe that protects both parties' interests and addresses each of the BIA's objections. We also consulted the BIA for technical assistance to clarify any questions we had about their interpretation of IGRA. Both we and the Tribe are confident that, because of this technical assistance and because of our careful review of the concerns the BIA expressed regarding the initial agreement, the Compact I am submitting today for your ratification can be approved by the BIA.

The principles in our expanded gaming statute – maximizing private investment and job creation, delivering economic development benefits to each region of the Commonwealth, giving local communities a voice in the

process and funding public health, safety and community mitigation programs – are vital to the long-term success of tribal and commercial gaming in Massachusetts. This Compact appropriately integrates the tribal casino into the Commonwealth’s expanded gaming plans, and fairly allocates the gaming revenues between the Tribe and the Commonwealth.

The primary differences between this Compact and the initial Compact have to do with the revenue allocation (described below), the elimination of provisions the BIA identified as being inconsistent with IGRA and the modification of language throughout the agreement to ensure that Commonwealth regulation is directly related to the operation of gaming, as required by IGRA.

The Compact provides that, for as long as the Tribe is operating the only casino in the state, 21% of the Tribe’s gross gaming revenue will be used to mitigate the impacts of the facility and as consideration to the Commonwealth for granting the Tribe exclusive casino-style gaming rights in Region C (southeastern Massachusetts) and for negotiating the compact before the Tribe has its land in trust. When a resort casino commences gaming in Region A (Greater Boston) or Region B (Western Massachusetts), the revenue allocation of the Tribe’s gross gaming revenue shifts to 17%. If the Massachusetts Gaming Commission (MGC) issues a Category 1 (resort casino) license in Region C, the revenue allocation would go to 0%, and if the MGC issues a Category 2 (slot parlor) license in Region C, the revenue allocation is reduced by 2% off of the applicable rate (either 21% or 17%). The term of the agreement lasts 20 years, with a mutual option for a second 20-year term.

Consistent with the previous Compact, the Commonwealth’s revenue allocation will be distributed according to the formula set out in the Expanded Gaming Act, meaning that local aid, transportation, infrastructure, education and other accounts will receive a percentage of funds to mitigate the impacts of the facility and support programs and services throughout the region and state. In addition, the Compact requires the Tribe to contribute a minimum of \$1.5 million annually to the Public Health Trust Fund established under the Expanded Gaming Act.

A Tribal Gaming Commission will oversee the facility’s gaming operations, with concurrent oversight by the MGC and the National Indian Gaming Commission, subjecting the facility to an even greater level of regulation than exists under the Expanded Gaming Act. The Compact also requires the Tribe to reimburse the MGC for the costs of its regulatory and

oversight functions. Like any potential commercial facility in the Commonwealth, the Compact requires the facility to be non-smoking. The Compact also requires compliance with both federal and state construction standards and provides the equivalent criminal jurisdiction, employee benefits, and patron and labor protections available under State law.

Finally, the Compact provides for mitigation to the host and surrounding communities through a federal Environmental Impact Statement (EIS). The EIS study, funded by the Tribe and providing for significant community involvement, includes a comprehensive analysis under federal law of the education, housing, public safety, infrastructure, transportation, traffic, air, land, water, wildlife, and all other social and physical considerations and the alternative proposals and costs to mitigate all impacts of the facility on the region. The EIS report will provide host and surrounding communities with the information they need to request mitigation payments from the Community Mitigation Fund administered by the MGC.

I urge your prompt and favorable consideration of this Compact.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Deva N. [unclear]". The signature is fluid and cursive, with a large loop at the beginning and a distinct end.