

Spotlight on 2016 and Beyond

We asked members of our Editorial Advisory Board to share their insights and predictions for 2016. Here is what they had to say...

Dike Bacon, Principal/Partner Hnedak Bobo Group



Dike Bacon

The Indian gaming industry has to continue to reach a wider geographic, financial, and demographic audience in 2016 and beyond. The industry also has to remain relevant as a total entertainment choice and not just a casino gaming experience. Remaining static is just not an option. Near to mid-term, other than pure gaming revenue, the biggest drivers and the best differentiators will be the revenue contributions of unique high quality non-gaming amenities.

The convergence of casino, skill-based, and millennial oriented social games will have a long term impact to casino revenues, however, the best opportunities to generate higher revenues and returns near term is through overnight stays, awesome F&B, and high gear entertainment scenes.

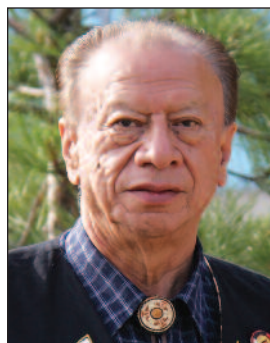
The days of unremarkable guestrooms, uninformed food offerings, and cheap buffets are history. People actually care about their hospitality experience, they care about what they eat, and best of all they're willing to pay for it. In many instances, pay a lot. They also love talking about it in social media. Food culture and awareness is red hot and great food has become a huge part of the total entertainment experience. Market position is often won or lost on the perceived quality and diversity of a resort's restaurants and bars. Bad internet reviews can make or break a property. Today, the physical space that the product is served in has to be fresh, modern, and very well designed. Food subconsciously tastes better in really cool surroundings. An interesting tangent trend is the whole notion of optimizing locale with geographic or culturally specific offerings. The craft cocktail boom continues to expand and evolve and is sometimes informed by the emergence of local breweries and distilleries. As with food, a great drink just tastes better in an awesome bar.

Indian gaming will continue to be affected by uncertainty-related problems. The current trendy discussion is often centered on the notion of the impact of the millennial customer to the casino environment. Not too long ago, the hot topic was the perceived similar tidal impact of Internet gaming and all of its negative effects on brick-and-mortar casinos. It seems there's always something industry altering just around the bend. The reality is that the expectations of all customers continue to evolve and be influenced by cross-generational shifts.

Often the same things that appeal to a younger target demo-

graphic appeal to the current customer and this can present very compelling opportunities to reinvent and dramatically improve the total resort experience. It really makes things fun.

Steve Cadue Kickapoo Tribe in Kansas



Steve Cadue

The coming 2016 year is a presidential election year and key congressional seats are up for election. There have been several Democrat and Republican debates and the main issues have been immigration, national security, tax reform, and Affordable Care Act revision. Political debates are critical in the election process exhibiting candidates' knowledge and leadership qualities to lead the greatest nation on earth. All of the debate topics

have to be argued with the Constitution being the ultimate test of decision. Nations are on the brink of war and we hear no word in the debates of recognizing treaties made with sovereign foreign nations or Indian tribes. Indian tribes are invisible yet, the Congress "guts" Indian treaties and the U.S. Supreme Court grants certiorari. Asserting Indian sovereignty is national significance. The powers of Indian sovereignty as national significance is recognized only when political pressure is applied to extinguish Indian treaties, i.e., *Carcieri v. Salazar*, *Adoptive Couple v. Baby Girl*, and *Dolgenercorp v. Choctaw*. The congressional anti-Indian treaty legislation "Keep the Promise Act" receives significant attention to extinguish Indian treaty rights. Our Indian treaties were made with the founding fathers of America and are the Supreme Law of the Land and we agreed to peace. The Constitution and treaties must be upheld.

"Keep the Promise Act" and the *Carcieri v. Salazar* decision are both focused on the Indian gaming industry and violate our Indian treaties. My forecast is we will see a mounting political and legal campaign to undermine Indian gaming in the coming 2016 year. The congressional hunt is to kill the economic power of the "white buffalo" as the former renowned Shakopee Mdewakanton Sioux Chairman Stanley Crooks termed the economic miracle of Indian gaming. Our Indian treaties provided the sovereign right to establish Indian gaming to strengthen genuine Indian self-determination. We must make our stand and be prepared against the political assault of Indian treaties and the annihilation of the uniqueness of our Indian way of life. We must stand united. Peace and we thank the Creator.

Beth Deighan, President Casino Careers and Gaming Hospitality Executive Placement



Beth Deighan

As the Indian gaming industry continues to grow, tribal enterprises are focusing on the changes needed to adapt to a younger generation of employees and customers.

Workforces will soon be primarily comprised of Generation Y, as Millennials assume the positions vacated by Baby Boomers. The majority of Millennials are known for being highly ambitious, educated, optimistic and dedicated. They want employers who encourage and help

facilitate professional growth in the workplace and connect their role to the company's success.

Millennials want their Boomer co-workers to adapt to their more technologically-fueled communication styles, whilst the Boomers understand that the traditional focus on face-to-face business interactions will never die. The collaboration of the multi-generation workforce is crucial to a company's future success.

Native American gaming companies can leverage their tribal values and respect of elders to effectively manage and find the middle ground between these two generations to achieve business goals.

Their older employees can mentor their Gen Y employees in leadership skills and the importance of personally communicating and developing relationships with customers. Millennials should be encouraged to co-mentor and educate their older co-workers on digital trends, and how to take advantage of the virtual workplace and technology.

The mutual mentoring relationships will assist to develop succession plans to ensure that the younger new workforce will understand how to implement customer retention strategies that personalize the customer experience, while leveraging technology to improve operational efficiency.

Although gaming revenue has grown over the years, Indian gaming executives recognize the power of Millennials – a customer base which is now larger than baby boomers, according to the Marketing Research Association. The association estimates that Millennials will account for one-third of all retail spending within the next five years.

Keeping Millennials in mind, tribal governments nationwide are revamping their casino floors and expanding visitors' entertainment options beyond gambling.

Forrester Research predicts that 2016 will prove to be the most consequential year for companies to adjust to digitally-savvy, empowered customers, and have identified critical success factors that will determine if companies thrive or fail in engaging their customers. These factors involve social

media, mobile and cloud technologies, converting analytics to customer value, and digital marketing.

Tribal enterprises that develop a corporate culture which fosters mutual mentoring to create an understanding of the values of multi-generational employees and encourages Millennials to use their knowledge of technology trends and tools, will have an edge on the competition. They'll be better equipped to retain their employees, develop valid succession plans, and use analytics to understand the need and wants of both current and potential employees and customers.

Christie Eickelman, VP of Marketing Gaming Laboratories International



Christie Eickelman

In 2016, Indian gaming is heading into an era where tribal operators will (and must) pay even more attention to network security.

In the recent past, data breaches have hit large commercial businesses such as Sony and Target, non-tribal casinos, as well as tribal casinos across North America. What we are learning inside and outside of the gaming industry is that a compromise in the monetary flow is less of a concern – the big concern

today, and what will continue in 2016 – is the concern of a data compromise.

What we have learned from data breaches in 2015 is that there is a cost to keeping data safe, and there is a cost to losing data. Data is the way casinos and other businesses market to their guests, maintain compliance with gaming regulations and other types of compliance, such as PCI, and conduct business transactions of all sorts. Data is also more than money – it's your reputation, and your ability or inability to maintain the integrity of your data, will directly impact your reputation in the eyes of your customers, and that may affect their comfort level in patronizing your casino.

With this as a background, in 2016 Indian gaming operators will seek more ways to educate themselves on network security, PCI compliance, and data breaches, particularly as more of their customer outreach and gaming takes place in a mobile and/or a wireless setting.

Tribes will need to educate themselves and their employees in key areas of the casino so that the operation can better identify and understand risk. Then once that risk is understood, to use that information to reduce potential risk and protect the casino's assets.

Because data breaches can happen from inside the casino as well as from outside the casino, tribes will also reassess their internal controls, further ensuring that those who have authorized access to data are using and maintaining the data as intended.

Data is a wonderful tool, and in 2016 tribes will further exploit its riches while simultaneously raising the drawbridge against potential threats.

Grant Eve, Partner Joseph Eve



Grant Eve

Casino and card clubs are financial institutions, at least in the eyes of the federal government. Even though casinos earn their revenue in the hospitality industry, they are held to Title 31/Bank Secrecy Act (BSA) regulations standards as banks and other cash intensive industries are. In 2015, we saw the Financial Crimes Enforcement Network (FinCEN) assess more civil penalties against the casino industry than any other industry they regulate and

this trend is expected to continue into 2016. In September, Caesars Palace consented to a civil penalty of \$8 million dollars from FinCEN and an \$1.5 million dollar fine from the Nevada Gaming Control Board (NGCB) for Title 31/BSA violations. Not only was this a large penalty, but they had several undertaking that will cost them millions of additional dollars. They include an external independent review of their BSA compliance program and to conduct independent testing until 2018, provide FinCEN with a comprehensive report of their compliance and training program until 2018, and to engage a third party firm to provide a SAR lookback from January 1, 2012 to December 31, 2014. This was the most detailed consent we have seen from FinCEN, which shows they are holding true to their word from recent remarks that all violators will face more transparency than past assessments. Some of the violations from Caesars Palace include a lack of proper internal controls, inadequate independent testing, failure to provide adequate training, and inadequate procedures in place to use all information available to them. If you consider FinCEN's civil money penalty, the NGCB fine, repercussions agreed to, legal fees, and consulting fees, this has and will cost Caesars in the tens of millions of dollars. More assessments and civil penalties from FinCEN against the casino industry are anticipated in 2016.

Almost all banks now consider casinos high risk clients until proven otherwise. We saw one bank sever its relationships with all casino clients in 2015 and we can expect continued bank scrutiny in 2016. It is important to understand that banks are under pressure from multiple regulatory bodies and they are required to assess the risk of having casino clients. Items that you can do to ease this process is provide your bank with your risk assessment, independent testing methodology and results, training process and material. Develop a relationship with the due diligence department at your bank by inviting them to your

property to meet with your BSA compliance officer and view your compliance department. Contracting an independent Title 31 consultant to conduct an external risk assessment and external independent testing goes a long way with most banks.

FinCEN issued an advisory to all financial institutions stressing the importance of a culture of compliance. If casinos follow guidance from that advisory, they should feel confident in their AML Compliance Program in 2016. Some of the important items released include "Leadership actively supports and understands compliance efforts; Efforts to mitigate deficiencies and risks are not compromised by revenue interests; Share relevant information from various departments; Devote adequate resources to its compliance function; Program effectiveness tested by independent and competent specialists; and Leadership and staff understand the purpose of BSA/AML efforts." Ensuring your casino has a culture of compliance is important to all regulators and will be beneficial in 2016.

Joe Feldkamp, VP, Strategic Market Development Vantiv Entertainment Solutions



Joe Feldkamp

At the end of the 3rd Quarter, the first tribal casino in the U.S. fully deployed a cashless gaming solution across its entire slot floor (over 5,000 machines). This implementation eliminates the need for players to use cash to play slot devices and provides an immediate way for players to access their money at the slots and to receive payouts, essentially eliminating the need for TITO. Not only that, the patron can spend their own funds almost anywhere in

the world and make ATM withdrawals, both inside and outside the casino, all while being rewarded by the casino for their loyalty.

Cashless gaming solutions increase player satisfaction, greatly improve the casino's understanding of player analytics and will reduce costs over time. Over the last few decades the retail world has increasingly moved away from cash and now for the first time the gaming industry has developed and deployed an ecosystem which permits it to be like the retail world.

The industry is witnessing a revolutionary shift for the tribal gaming industry away from its costly reliance on cash and toward the omnichannel experience of electronic payments; in the casino, across the resort, online or on a mobile device. If one believes that the world of the future has less cash, more electronic payments, and more mobile, then this is the future.

The early adoption of cashless gaming solutions are yet one more example of tribal gaming companies leading the way as technology evolution spurs industry-wide revolutionary change.

Gabriel S. Galanda, Partner Galanda Broadman



Gabriel S. Galanda

In 2015, we learned that the National Indian Gaming Commission has essentially deregulated Indian gaming per capita distributions. The U.S. Government Accountability Office confirmed as much, most notably that the NIGC has not taken a single enforcement action related to improper per capita payments since 2010. Given resulting scrutiny from the U.S. Senate, will the agency change its tune in 2016?

On former NIGC Chairman Philip Hogen's watch, the Commission actively investigated per caps that did "not benefit the tribal government or tribal membership as a whole." Hogen was keenly aware that "per capita paybacks, or the lack thereof, are inextricably tied up with tribal membership disputes," and he was not afraid to enforce IGRA rules.

In a few instances, tribes are misusing net gaming revenues. Tribal factions are dispensing those monies in ways that do not benefit the tribal membership as a whole, and in ways that advance mass disenrollment efforts. As one scholar observes, "questions of citizenship are inextricably linked to disputes over the per capita allocation regime." The Ninth Circuit Court of Appeals concurs, observing that "membership disputes have been proliferating in recent years, largely driven by the advent of Indian gaming, the revenues from which are distributed among tribal members." *Alto v. Black*, 738 F.3d 1111, 1116 n.2 (9th Cir. 2013). But when the NIGC is notified of IGRA per capita violations, it refuses to act.

In one example, a Tribal Council faction denied gaming per capitas to more than 80 members – before disenrolling them. The tribe has an approved Revenue Allocation Plan (RAP). In response to complaints that the faction violated the anti-discrimination provisions in 25 CFR 290.14, the NIGC shrugged its shoulders, explaining that "under the tribe's RAP, the Tribal Council is the forum to raise your per capita dispute." In other words: "Go tell it to the people who are terminating you."

In another example, at a tribe that does not have and has never had a RAP, a Tribal Council faction issued bi-annual gaming per capitas: a "school supplies stipend" every August, and "Christmas support" each December. Since 2012, however, that Council faction has denied those cleverly styled distributions to 306 tribal members targeted for disenrollment. These tribal members grieved the situation to the NIGC in 2013, but again, the Commission refused to act.

We can only hope that in 2016, the NIGC returns to its old ways of regulating, to ensure that Indian gaming benefits tribal communities as a whole.

John Hinton, Director of Midwest Operations Bergman, Walls & Associates



John Hinton

The design and construction industry has seen an increase in the number of projects recently and this trend should continue into 2016. Indian gaming currently accounts for 43% of the gaming market in the U.S. and generates an estimated \$28.1 billion in annual revenue. In the past 5 years, approximately 30 new tribal casinos have opened, allowing more nations to access the economic benefits, but has created more competition among the exist-

ing facilities in those markets. This is a healthy industry that will see more growth as the overall economy continues to expand and improve. Construction growth overall for 2015 increased about 9% and is predicted to increase at about the same rate for 2016. This will lead to more demand and some increase in construction costs, but should still remain a very good environment for getting projects built.

Growth in the Indian gaming industry will come from approval of Land to Trust projects, the continued development of Class II gaming in certain regions, conversions from Class II facilities to Class III facilities and competition with neighboring facilities creating a need to upgrade or add amenities in order to stay ahead of the competition.

With the increase in competition and revenue growth in most regions this past year, tribal nations continue to reinvest in their existing facilities to build Destination Resort Facilities. Casinos will continue adding or expanding amenities like hotels, coffee shops, event centers, more restaurants, entertainment venues, RV parks and parking garages to better serve existing clientele and create more experiences for the next generation of gamers while encouraging patrons to remain on the property longer.

We will continue to see improvements to the mechanical systems for improved air quality, more energy efficient building products being incorporated into projects and back of house expansions for increased operational efficiency. This creates a better environment for the patron and operators, and is good for business.

Improvements will also be technology-driven, incorporating automated players clubs, social areas for hand held gaming devices and new equipment which will influence the layout of the gaming floor, now and into the future.

Guest experience will always be the most important element to the gaming industry. This requires the facility and staff to offer guests the best possible experience to keep them coming back and writing favorable reviews on social media.

Kell Houston, President Houston Productions



Kell Houston

The discussion will continue in tribal gaming and commercial gaming about attracting and dealing with the Millennials. Technology is evolving and gaming machines are starting to change accordingly. Entertainment is still the biggest variable for gaming properties everywhere and will continue to drive the casino brand. Casinos will continue to try to stay on top with their entertainment programs. The goal continues in secondary markets

to establish the casino property as a regional go to destination for everything from a special night out, occasional celebration spot and entertainment headquarters. The primary markets will continue to compete with the large festivals and promoter events in their region. Trending will be towards a younger more contemporary artist and therefore a younger demographic. The challenge is going to be figuring out where to create the gaming revenue stream that has to date, been the life blood for all casino properties. The innovative and creative casinos will look to solid entertainment.

Knute Knudson, VP of Business Development and Tribal Relations IGT



Knute Knudson

Technology and regulation are two areas that are ever-evolving in tribal gaming. I believe those will continue to be areas to watch in 2016. As the economy continues a gradual upward turn, I anticipate we'll also see continued expansion and improvement of existing tribal-run facilities.

Tribal operators are likely to more closely evaluate how they can utilize emerging technologies to improve a myriad of business

functions ranging from how they engage patrons both onsite and offsite, to how they deliver engaging gaming experiences, to how they utilize systems technology to optimize their floors and drive ROI.

As tribal operators look to optimize every square inch of their casino floors, suppliers are simultaneously investing in top talent to lead product strategy, and ensure the products and services they're delivering meet the unique demands of a diverse customer base. Tribes are more readily embracing cross-platform content strategies to strengthen their relationships

with their customers and better understand their players' preferences beyond the casino walls. I think we'll see more and more tribal casino operators offer a cross-platform mix of player experience as a result of an increased comfort level with technology and a heightened awareness for the customer demand.

Skill-based games are in the news lately and bear watching in the tribal gaming market. It's tempting to focus on the manufacturer's moves in skill games, but the key to determining what is appropriate and what is coming in the tribal gaming market is to follow the lead of tribal gaming regulators and player demand. I think we'll see activity on this front in 2016.

Class II gaming will continue to develop in 2016 to meet tribal government gaming operators' desire to optimize these games for the benefit of their tribal members.

On the regulatory front, there are (as always it seems) several areas that bear watching including federal legislation addressing Carcieri issues and pending court cases which may have varying degrees of impact on tribal gaming. Additionally, all eyes in the industry will be following developments with Fantasy Sports. We have only seen the beginning of the scrutiny under which Fantasy Sports will be placed.

Finally, as 2015 brought a fairly steady stream of announcements of expansions and upgrades at tribal properties, so too I think 2016 will see continuing tribal investment in their facilities.

Sheila Morago, Executive Director Oklahoma Indian Gaming Association



Sheila Morago

As 2015 becomes 2016, this New Year and many of the ones that follow, will bring our industry many challenges but there's one in particular we will all grapple with: how to keep our existing customer base happy as they begin to age, while developing new strategies to attract a new audience: the Millennials.

Millennials, those born between the early 1980s and the early 2000s (and also known as Generation Y), are estimated to have a combined global spending power of \$2.45 trillion in 2015, according to research by Youbrand. But they spend their money, and their free time, in ways previous audiences have not. Millennials prefer to buy experiences, rather than possessions, and they like group activities.

For the gaming industry, that information tells us that sitting in front of a slot machine and playing as an individual, which is very satisfying to a traditional gaming customer whose median age is 48, is not at all satisfying to a member of the Millennial generation, whose members grew up playing video

games with and against one another.

The onus is on our industry to respond with ideas and amenities that resonate with this group. Manufacturers have begun to develop gaming machines that allow the player to feel as though he or she is competing with others during play.

Casinos are adding new, exciting innovations to their facilities to satisfy the Millennials' need for experiential entertainment. Spas, golf courses, laser tag facilities, clubs, bowling alleys and high-end restaurants are being developed, or have recently been completed, in casinos around the country and are a good step toward becoming more millennial-friendly. Concerts and other performances held on-site are another way to appeal to this new breed of clientele.

Millennials differ in fundamental ways from customers and guests our industry has known thus far in other ways too. For example, before they do or buy something, they research their options online. This means we need to make sure our websites have well-organized, easy-to-access information and that it is current. Restaurant menus, hours of operation, parking information and pricing are variables that younger customers weigh in advance.

While this is definitely a challenge, the good news is that research tells us that Millennials (like younger generations through the ages) are more than happy to share their opinions with us. Whether we listen and act? That's up to all of us.

Michael E. Newell, Regional Sales Mgr. Nova Technologies LLC



Michael E. Newell

The continuous growth of Indian gaming since the first bingo ball was drawn so many years ago will continue its relentless march toward higher earnings in 2016, and probably well beyond.

Last year I noted that tribal budgets had been strained due to ebbing recession factors. I expect that to continue, but not because of a bleak economic outlook. Rather, I believe the tribes have learned that fiscal

responsibility is a good thing and there is no reason not to have sound economic policy when it comes to spending. I also noted last year iGaming in Indian Country was likely to be a non-event, and it appears that interest in that elusive market opportunity is in fact waning.

Sound economic policy in Indian Country will not, however, trump spending on projects designed to get more feet (with wallets attached) into the brick-and-mortar venues. The larger properties in particular will create more creature comforts and amenities geared toward attracting the 25 - 35 age group, including having more emphasis on social media outreach. The smaller venues servicing local markets will also enhance its social

media outreach and focus on higher per-machine earnings with smaller machine counts with plenty of comfort space. The gaming manufacturers are doing their part with enhanced electronic wizardry, larger displays and youthful, even edgy game content.

And finally there is the omnipresent and venerable electronic Class II products that are crucial to several markets including those limited to Class II. But wait, there's more: Class II is still crucial in dominant Class III markets where huge fees (taxes) are payable under state/tribal gaming compacts; fees which are not applicable with Class II games. With game earnings between Class II and Class III content being at par with each other in many markets, Class II is the better choice. This is particularly true as tribal enterprises continue growing with boutique gaming venues including using high-end and full service travel plazas as the draw. Yes, travel plazas. They work and their number is growing.

With all this in mind, it's onward and upward to another banner year, and probably another record setting year for Indian gaming revenues.

Matt Reback, VP Marketing Konami Gaming



Matt Reback

2016 should be another exciting year for the Indian gaming industry. We expect to see a continuation of three key trends: increased competition for patrons; increased expansion of iGaming offered by tribal-owned properties; and continued transition of properties toward more "destination style" resorts. As the Indian gaming industry continues to evolve, operators will require the support of new, cutting-edge technologies which enable them to lever-

age marketing to attract and retain customers, and provide differentiated service experiences.

The first of the technologies that will become increasingly important for tribal casino operators is the enterprise management system. Operators will seek systems with powerful player-tracking, marketing engines, and analytics tools. Such systems will enable the operator to better understand the needs and behaviors of customers including activities at non-gaming venues like dining, entertainment, spa, hotel, and retail. A more comprehensive view of a customer allows the operator to understand the true value of the customer and optimize reinvestment, among other benefits.

Similarly, operators will expand their usage of iGaming platforms to attract and engage new and existing customers via social casino gaming applications. Linking the casino's social gaming site with its casino management system will create extended customer experiences with the casino brand and

enable new marketing channels and targeted promotions with precise functionality that can increase revenues. The ability to register new loyalty members, understand what games they like to play, generate new off-property revenue streams, and then communicate offers to those patrons within a property's online gaming platform is a major development, and adoption rates should continue to increase. While some casinos have already entered this new channel, others are still exploring their options and have yet to make the investment.

Finally, Indian gaming operators will continue to seek out new Class III game technologies in order to keep their properties fresh and competitive. Customers who visit higher frequency tribal properties are looking for gaming experiences that are designed with their entertainment in mind. Therefore, products that comfortably deliver unique entertainment experiences will become the most popular and highest yielding products on the floors of tribal casinos.

Ultimately, I expect 2016 to be another strong year for the Indian gaming industry.

Linda J. Roe, VP Client Development TBE Architects



Linda J. Roe

Working with numerous and various tribes, I've seen steady advancement in the growth and sophistication of Indian gaming as a market sector. The tribal leaders continue to direct their casino management to look into the future with a spirit of innovation, and to capture knowledge based upon studying the hospitality industry as a whole. This directive is generating changes, leading to the transformation of the way in which gaming facilities are experienced.

While tribes have intelligently capitalized on their gaming success over recent years by adding expansion projects to their properties, i.e., hotels, parking garages and other revenue-boosting amenities, we now have to ask, "But, what's next?" Economic diversification will include focusing on building the "Integrated Resort" model, in order to capture the attention of the Millennials. By incorporating "places and spaces" that captivate and entice the younger guests, by staying current with the changing trends, and by adding experiences that showcase the tribe's heritage and culture, the tribe will differentiate itself from its competition, and thus increase their market share and overall success.

Now, how do we do this? Tribes will start with rethinking their gaming product. This will include creating gaming facilities that are "amenity based" with "no dark spaces;" designing specialty gaming areas that reach out to various demographic and interest groups; focusing on the "best" non-gaming amenities

(buffets, food & beverage areas, spas, clubs, hotel rooms); broadening the entertainment options (movie theaters & bowling alleys); and designing true state-of-the-art meeting and convention options. Gone are the days that the guest will settle for less than superb service. There is an increased awareness by the customer in demanding and management in providing intentional and precise service with value. This is resulting in memorable experiences, thus generating repeat business with happy and loyal guests.

The years ahead will continue to be about tribal sovereignty. Sovereignty is the engine that drives the success of the tribe, which leads, in turn, to successful diversification of their business interests. As tribes use their gaming revenues to expand their casino properties and diversify their businesses, their sovereignty deepens and intensifies. Maintaining this level of independence and autonomy is an "attitude" as well as a contract principle. For all these reasons, I predict Indian gaming will continue to prosper in 2016.

Ernest L. Stevens, Jr., Chairman National Indian Gaming Association



Ernest L. Stevens, Jr.

Legislatively, the Indian gaming industry will continue to monitor any Congressional attempt to address Internet gaming, including fantasy sports, and taxation. A long Presidential campaign season will shorten the legislative calendar. Administratively, the appointment of an associate commissioner to the National Indian Gaming Commission creates opportunity for regulatory updates. The NIGC will continue to perform regulatory

duties and work to strengthen relationships with all relevant stakeholders in their efforts to ensure regulatory compliance and gaming integrity

Technological advances will continue to push innovation in Internet gaming. We must work harder and smarter to remain ahead of the curve to understand how to incorporate and regulate new technological advances. Our industry knows that not all new products are for us, but we must remain vigilant to the effects these developments may have on our Indian gaming revenues, and ultimately the services we provide to our people.

Internet gaming has many potential benefits but there are still areas of concern especially related to legality of games. Since there currently is no federal law addressing the lawfulness of Internet gaming, the states and tribal governments are looking at ways to regulate Internet gaming based on location, age, and types of wagers.

Indian gaming gross revenues continually grow and rebound

from the recession. Indian gaming revenues in 2014 were \$28.5 billion; we expect 2015 to show another year of moderate growth. While gaming revenues grew modestly, the Indian gaming industry is encouraged by the general health of the overall economy and improvement in unemployment numbers. The Indian gaming industry will continue to grow as the overall economy improves. Our industry will continue to work together to advance the economic recovery of this nation.

Although our industry remains strong, tribes must continue to diversify their gaming revenue investments to grow their economies. Indian Country can, and must, build upon the aspects that distinguish us by embracing cultural and environmental tourism. Our homelands are the few places in the U.S. where people can visit and experience top tier entertainment while learning about the cultures, traditions, and histories of our lands' indigenous peoples. Indian gaming has a lot of work ahead of us, whether it is with maintaining the strength of our existing operations, or working with tribes that are still working to find economic sustainability. As we monitor the economy we will be looking for opportunities to help one another to flourish in the overall industry and most importantly looking out for and assisting those tribes with lesser resources. In 2016, NIGA will continue to work as a united front with tribal leaders and other national Indian organizations to advance the lives of Indian people economically, socially and politically.

Daniel J. Tucker, Chairman California Nations Indian Gaming Association



Daniel J. Tucker

Tribal-State Gaming Compacts continue to be the primary focus for California's tribes. The state is currently engaged in negotiations with the largest number of tribal governments since 1999. Many questions have been raised about the topics being addressed in compacts. CNIGA shares these questions and urges the Governor's Office to be mindful of the purpose of the Indian Gaming Regulatory Act (IGRA) while engaged in

government-to-government negotiations with California's tribal nations.

Tribal gaming continues to be a positive economic contributor to the State of California - generating \$8 billion of economic output. Of that \$8 billion total, \$2.9 billion represents earnings by California workers. California tribal gaming operations generate 56,000 jobs across the state and non-gaming operations generate another 15,000. All proof that tribal gaming is working. We are building strong tribal communities while simultaneously contributing to our surrounding communities.

CNIGA will welcome 2016 with the Western Indian Gaming

Conference (WIGC). Scheduled from February 9-11, the WIGC will focus on issues such as compact negotiations, election strategies, regulation, and the changing demographics of the casino patron, to name a few.

2016 will also see the completion of many long term projects that have been a priority for the Association. CNIGA will be rolling out a new website and we are also in production on a short video highlighting the unique history of California tribal government gaming. The video will document the many historical achievements of California's tribes. We look forward to sharing this video with elected leaders and policy makers.

For the third year in a row, CNIGA has commissioned Beacon Economics to complete an Economic Impact Study for the California tribal gaming industry. We expect Beacon to issue the completed study in the first quarter of 2016.

Membership in CNIGA is strong. From our dedicated member tribes to our growing number of Associate Members, CNIGA is poised to confront every issue with the hard work and determination for which California's tribal government are known.

Joseph Valandra, Managing Member/CEO Great Luck



Joseph Valandra

The past several years give us a fairly good path from which to predict, but looking forward is always a dicey proposition given the twists and turns of the gaming industry.

The irresistible force of the Internet continues to pull the industry forward. It is no longer the questions of if and when, rather it's the practical issue of how. It is not how from a technology point of view. It is a very specific question of jurisdiction

and resulting regulation.

Tribes have a unique position in both regards given sovereign governments and an unequalled commitment to world class regulation. The issue that must be faced is whether or not the future is one in which tribes lead or follow.

We see in California tribes waiting for the state to pass legislation to regulate a Class II game. In other states we see a reluctance to recognize the opportunities sovereignty and regulation present to both tribes and states.

It is my prediction that the leadership of the Iipay Nation of Santa Ysabel will be realized and seized upon by other tribes. This will happen by asserting primary jurisdiction over Class II games accessed by communications facilitated by the Internet. The bottomline is to utilize and defend the sovereign rights recognized by the Cabazon case and affirmed in the IGRA.

Tribal leadership has historically changed the gaming industry - that will continue in 2016. ♣