



March 7, 2008

***Via Facsimile And
Electronic Mail – Original to Follow***

Phil Hogen, Chairman
Norm Des Rosiers, Commissioner
National Indian Gaming Commission
1441 L Street, N.W.
Washington, DC 20005
Fax: (202) 632-7003

Re: Additional economic analysis of *The Potential Economic Impact of the October 2007 Proposed Class II Gaming Regulations*, released February 1, 2008

Chairman Hogen and Vice Chairman Des Rosiers:

The Oklahoma Indian Gaming Association asked Dr. Robert Dauffenbach, Director of the Center for Economic and Management Research at the Price College of Business at the University of Oklahoma, to review the economic impact study commissioned by the NIGC and released to the public on February 1, 2008. Dr. Dauffenbach was able to apply a prominent impact analysis tool used to measure indirect and induced impacts resulting from the direct impacts described in the NIGC's study. The results are illuminating.

Using the median numbers created by Dr. Alan Meister in the NIGC's study, the model shows a significant indirect and induced economic impact; both in terms of additional lost jobs and lost revenue. Dr. Dauffenbach's work looked at the impacts both Nationally and in Oklahoma, applying a percentage of the national impact detailed by Dr. Meister that matched the percentage of Class II games Dr. Meister identified as in play in Oklahoma.

Relying on the Nationwide data from the model, Dr. Dauffenbach calculates that, once indirect and induced costs are identified, ***the total number of lost jobs could exceed 35,000***; and ***the total economic impact could be more than \$3 billion***.

In Oklahoma, the impact is likely to be similarly severe. Using a figure equivalent to 59% of the National median number (arrived at by using Dr. Meister's percentage of games in Oklahoma, and applying it to the financial figures), the State could face a ***job loss of more than 18,500 jobs***, and a ***total financial impact of more than \$1.1 billion***.

While the Commission has talked recently about how the industry has changed since February, we would ask that it take into account the indirect and induced impacts in the

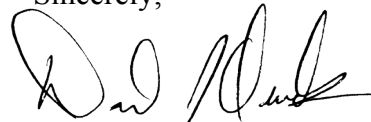
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areas where Class II gaming is the primary or only gaming option. We believe that these typically rural locations will disproportionately bear the impacts of the NIGC's proposed regulations, and are most likely to be the ones detailed in the NIGC's study as facing closure. The direct loss will certainly result in a devastating indirect and induced impact in those rural communities that cannot be offset by other industries.

We remain greatly concerned that the NIGC's actions could have so drastic an impact, and ask again that the Commission consider withdrawing the proposed Facsimile definition and Game Classification standards.

Should you have any questions, or need additional information, please feel free to contact me via phone at (405) 590-7231 or by e-mail at djqualls@aol.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'David J. Qualls', written over a horizontal line.

David J. Qualls, Chairman
Oklahoma Indian Gaming Association

cc: OIGA Executive Committee