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 MISSISSIPPI BAND OF CHOCTAW INDIANS  
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 CHOCTAW, MS 39350

September 15, 2005

Mr. James Cason  
 Associate Deputy Secretary  
 U.S. Department of Interior  
 1849 C St. N.W.  
 Washington, D.C. 20240

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 OFFICE OF THE TRIBAL CHIEF  
 EXECUTIVE SECRETARIAT

Dear Associate Deputy Secretary Cason:

We fully understand and agree with your decision to delay your visit to the Choctaw Reservation as we move from a situation of immediate relief to one of intermediate and long term economic impacts. We look forward to meeting with you some time in the future. In my letter to you of September 9, 2005, I indicated that these intermediate and long term economic effects of Hurricane Katrina were a particular concern and frustration for me. I am requesting some intermediate help for the following situation.

The Mississippi Band of Choctaw Indians owns two businesses on 40 acres of trust land in Jackson County, MS, one of the hardest hit areas of the coast. Because the tribal trust land is in the northern part of the county the enterprises suffered only two inches of water in certain areas. Electricity has been restored to both First American Printing and Direct Mail and to First American Plastics Enterprise and both plants are now technically operational.

A significant number of our 150 employees of the two enterprises lost or sustained severe damage to their homes in the storm and the tribe provided food and water assistance to them. Production schedules are subject to employee shortages as they work to rebuild their homes and lives. Neither of these enterprises ever made much of a net profit for the Tribe. Their value has been in job creation, a particular concern here in Mississippi where 17,000 gaming jobs on the coast are in jeopardy due to the hurricane's destruction of 13 casinos.

The intermediate problem we face is two fold: (1) because of the devastation to the Gulf Coast casinos and other businesses First American Printing has lost 21 customers whose businesses were either destroyed or heavily damaged representing more than 10% of average monthly billings. First American Plastic's customer base is also impacted. It is problematic how many and when these customers will return. The impact given the already slim operating margins of both enterprises has been to put First American Printing into a likely deficit situation for the year and made more tenuous the situation of

First American Plastics breakeven potential; and (2) the tribal budget for FY 2006 will have to accommodate this deficit situation with potential cuts to tribal government programs.

The Tribe has the potential to be a major contributor to rebuilding the Mississippi Gulf Coast's economy. After thorough review of the future potential for these two enterprises, the need to preserve jobs and to take advantage of a trained but unemployed labor pool in the area, and the need to increase the revenue stream for tribal government programs the Tribe has determined that a better use for the trust land would be as a full service casino resort. This resort project would provide jobs for the current 150 tribal employees as well as several thousand other Mississippi residents well trained in the hospitality industry. Jobs would be provided in the gaming, hotel, retail and possibly real estate management (condominiums) areas.

We begin this project under the following parameters:

1. The Tribe's Jackson County lands (40 in trust, 60 contiguous acres in the fee-to-trust process) were acquired from 1999 to 2003; thus the two-part determination process of IGRA is controlling. We realize the Governor of Mississippi must approve gaming whether it is Class II or Class III before we can operate the facility. The Governor in the past has advised us that he cannot support any gaming in Jackson County until the County holds referendum on approving gaming as required by the State of Mississippi gaming statute. We understand this position and are working within it.
2. The 40 acres in Jackson County in trust (where the plants are located) were taken into trust with only an Environmental Assessment (EA) with regard to NEPA, not a full Environmental Impact Statement (EIS). There was at the time no need for an EIS.
3. Per our discussions with the Department's Gaming Office, we are aware of and are proceeding with a full EIS on the entire 100 acres as part of the federal requirement to locate a gaming facility on the property. We are in the final contract negotiation stage for this full EIS that will cost the Tribe \$350,000.00.

Our transition plan envisions as a starting point a 1500-2000 machine Class II gaming enterprise within the existing plant structure (with modifications) to create an initial revenue stream for development purposes and leverage. It will take a facility with this many machines to generate the required revenue for further Class III resort development.

While quite helpful, staff from the Gaming Office has indicated that the Indian Gaming Regulatory Act (IGRA) and the Department's current policies do not include the capacity to waive current thresholds for certain actions under NEPA. In particular the Office's current threshold for what constitutes "a major federal action" thus triggering NEPA and the full EIS process is set at a 500-700 machine facility. A gaming facility with up to 700 machines may be approved with only an EA.

Given the extraordinary situation we find ourselves in we are requesting that the Department allow the Tribe to immediately begin the IGRA Section 20 two-part determination process to establish a 1500-2000 machine Class II facility on the current trust property in Jackson County under the existing EA for that trust property rather than delaying until the full EIS is completed. The EIS the Tribe is preparing to conduct will cover the entire 100 acres for the much larger Class III facility. The revenue stream and job retention capability of the Class II operation in the interim period it will take to complete a full EIS is critical to our transition.

I appreciate your prompt response to this request for intermediate assistance to the hurricane situation. I am looking forward to our meeting in the near future.

Sincerely,

  
Phillip Martin  
Chief

CC: Honorable Haley Barbour, Governor of Mississippi  
Pat Ragsdale, Director, Bureau of Indian Affairs,  
U.S. Department of Interior  
Franklin Keel, Director, Eastern Region, Bureau of Indian Affairs



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OFFICE OF THE  
EXECUTIVE SECRETARIAT

October 4, 2005

Mr. James Cason  
Associate Deputy Secretary  
U.S. Department of Interior  
1849 C St. N.W.  
Washington, D.C. 20240

Dear Associate Deputy Secretary Cason:

Two weeks ago on September 15, 2005, I forwarded to you a letter in which I requested the Department's consideration to allow an existing Environmental Assessment (EA) on current tribal trust property (post-IGRA) in Jackson County, MS., to meet federal requirements enabling the Tribe to place a Class II gaming facility on the property. In that letter I also advised I would be working closely with the local county officials and the Governor.

In the intervening two weeks and after additional discussion, I have determined that the Jackson County Board of Supervisors is not prepared at this time to address the issue of a county-wide referendum on gaming. Therefore, there is no need for the Department of Interior to respond to my request of September 15, 2005, (enclosed). Should events change in the future and a reconsideration is merited I will so advise.

I appreciate your attention to this matter.

Sincerely,

*Phillip Martin*  
Phillip Martin  
Chief



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240



DEC 21 2005

Honorable Phillip Martin  
Mississippi Band of Choctaw Indians  
P.O. Box 7010  
101 Industrial Road  
Choctaw, Mississippi 39350

Dear Chief Martin:

Thank you for your letter, dated September 15, 2005, describing the impacts of hurricane Katrina on the Mississippi Band of Choctaw businesses and employees, and your tribal plans to expand gaming onto an off-reservation parcel of land in Jackson County, Mississippi. The hurricane's devastation is highlighted by its effect on your tribal community. You have the sympathy of the Bureau of Indian Affairs and its employees for the losses to the Tribe and its members.

In your letter, you request that the Department of the Interior agree to use an existing environmental assessment (EA) developed to support the initial trust acquisition of the Jackson County parcel for a two-part determination under Section 20(b)(1)(A) of the Indian Gaming Regulatory Act (IGRA), 25 U.S.C. §2718(b)(1)(A). Subsequently, your October 4, 2005, letter informed me that due to current circumstances, "there was no need for the Department of the Interior to respond to my request." For future reference, please be advised that if you plan to proceed with your initiative, compliance with the National Environmental Policy Act (NEPA) will be required to support any two-part determination by the Secretary for using land acquired in trust after October 17, 1988, for class II or class III gaming, and that compliance must evaluate the proposed gaming use of the land.

As you continue to work with the Eastern Region Director on your application to acquire the land in trust, the Bureau will make every effort to efficiently handle the process.

Sincerely,

James E. Cason  
Associate Deputy Secretary

cc: Regional Director, Eastern Region