BEFORE THE NEW YORK STATE SENATE
STANDING COMMITTEE ON STATE-NATIVE AMERICAN RELATIONS

PUBLIC HEARING

TO DISCUSS ECONOMIC DEVELOPMENT ISSUES AND POTENTIAL PARTNERSHIPS BETWEEN THE NATIVE AMERICAN NATIONS AND TRIBES WITH NEW YORK STATE

Van Buren Hearing Room A - 2nd Floor
Legislative Office Building
Albany, New York 12247

September 21, 2011
10:00 a.m. to 2:00 p.m.

PRESIDING:

Senator George D. Maziarz
Chair

SENATE MEMBERS PRESENT:

Senator Patrick M. Gallivan

Senator Timothy M. Kennedy

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SENATOR MAZIARZ: Good morning, everyone.

It is about ten after ten, and we're going to get started.

I'm Senator George Maziarz, Chairman of the Senate Select Committee on State-Native American Relations.

I would like to call this inaugural meeting of the Senate Select Committee to order.

This is, I think, a very historic event. It marks the first official meeting of the first-ever legislative committee on this very important issue.

Let me begin by thanking my colleagues, Senator Tim Kennedy, and Senator Pat Gallivan, for being here today, and for being very supportive of the mission of this Committee.

I also want to thank the Native American nations for their cooperation and support of this committee since it was formed this past June.

There are nine nations that are officially recognized by the State of New York. They are as follows: The Cayugas, the Oneidas, the Onondagas, the Mohawks, the Senecas, the Shinnecocks, the Tonawanda Band of Senecas, the Tuscarora, and the Unkechauge.

Each of these nations has a unique history

and culture, and they are a vital part of the economy and social fabric of our state.

This committee was formed in order to correct a wrong that has existed in this state for far too long; namely, the fact that there was no official State forum to discuss Native American issues, listen to their concerns, offer legislation, and promote cooperation and real solutions.

There are currently about 106,000 Native Americans living in New York State, with over 32,000 living on native lands. New York currently ranks ninth in terms of native population among all of the states.

As a result of the large population of Native Americans in our state, and the large.

Effect that these nations have on New York State economy, I believe there is a definite need for this Committee.

Our mission statement for this Committee is:

To enable members of the State Senate to become informed and educated about the Indian nations located here in New York;

And, to establish a formal avenue for dialogue between State-elected officials and native peoples;

And, to improve understanding and cooperation between the State and those native peoples.

Today we take the first step in accomplishing our mission. We will focus on three main goals.

First: Allowing each of the Native American nations who are in attendance today to address the Committee, and provide a brief overview of their history and culture;

Second: We have asked each to provide an overview of their current economic development activities, and their impact on the economy of each nation, as well as upon the State of New York, and the area of the state that they are located;

Lastly: We will hear about new economic development projects that are under consideration by each nation, and discuss potential partnerships with the State of New York.

In short, we are here to promote understanding and cooperation. Everyone here knows that our economy is struggling now, and we need to do all that we can to get it back on track.

The economic impact of the activities that native nations have makes them some of the largest employers in our state. Therefore, it is more important now than it ever has been, to promote

economic-development partnerships to create jobs for our citizens, and for sovereign native peoples as well.

Today we will hear from the leaders of several Native American nations.

I want to welcome: Chairman Richard Nephew, the Seneca Nation Council;

Dave Kimelberg, the CEO of Seneca Holdings;

Representative Ray Halbritter, of the Oneida Indian Nation;

Chief Ron LaFrance, Jr., of the Saint Regis Mohawk Indian Nation;

And, Chairman Randy King, of the Shinnecock Indian Nation.

I would ask that each speaker try to confine their presentation to 15 minutes. And, following each presentation, we will allow the members of this Committee to ask any questions.

Thank you very much.

I would just also like to note for the record, that several of the members of this Committee, Senator Ruth Hassell-Thompson, has staff -- senior staff in attendance, as does Senator John DeFrancisco.

And, with that, I will ask my colleagues if

they would care to make some sort of an opening statement.

Senator Gallivan.

SENATOR GALLIVAN: Thank you, Chairman.

Good morning, everybody.

I too believe that there is a need for this Committee. It's kind of amazing that nothing like this has taken place for all of these years, that, the Indian nations and New York State residents have co-existed within our boundaries.

I view this as a mechanism to facilitate discussions between the State, the Indian nations and tribal leaders, on issues in which the State and Indian nations and tribes share our common interest or jurisdiction.

I would like to welcome all of you here to Albany. I look forward to hearing the testimony from the different nations. And, I certainly look forward to advancing our common interests, and moving this state and our relationships forward.

Thank you.

SENATOR MAZIARZ: Thank you, Senator.

Senator Kennedy.

SENATOR KENNEDY: Thank you very much.

Good morning.

This is a historic occasion, that this meeting is taking place today.

New York State has a long history of cooperation with the Seneca Nation in Western New York, and all of our Native American tribes.

I'm proud to be a part of this new State recognition of that cooperation, as we hold the first public hearing of the Senate Standing Committee on State-Native American Relations.

Our history intertwines and our cultures overlap, and that adds to the rich cultural history of Western New York, and in New York State. And it provides an important boost as we continue to build on the collaboration and cooperation that has benefited our state.

In Western New York, the Seneca Nation is an important contributor to our regional economy. This path of economic cooperation shared between Western New York and the Seneca Nation stretches years and years in the past.

Through this economic cooperation, we have already accomplished some great things, and continued cooperation will help advance our collective goal of revitalizing the Western New York

economy.

The Senate Standing Committee on Native American Relations presents an opportunity for us to foster an open dialogue, which is essential to our future relationships with our state Native American tribes. And it is this open dialogue that will help our state and the Native American tribes mend and strengthen the bonds that run between us.

I was pleased to learn about recent meetings between representatives of the Cuomo Administration and representatives of the Seneca Nation of Indians, including President Robert Odawi Porter.

A productive and consistent dialogue between New York State and the Seneca Nation of Indians is important to both parties. And I am hopeful it will help to resolve many of the outstanding issues facing both the Seneca Nation and New York State.

I expect this Committee to foster that communication.

And, I'm sure it will, with the great Chairman.

SENATOR MAZIARZ: Thank you, Senator.

I've also been told that we have some senior staff from Senator Little's office here,

also.

With that, we will ask our first witness, Chairman Richard Nephew, of the Seneca Nation Council; and, Dave Kimelberg, CEO of Seneca Holding Company.

Chairman Nephew, and CEO Kimelberg.

Thank you very much for being here today.

Senator Young is also represented here today.

Richard.

RICHARD NEPHEW: Thank you.

Good morning.

[Speaks in native language.]

What I just said in the Seneca language is, that, I'm thankful that all are well here today, and that you're able to be here, and meet with us, everyone here in the room.

This is a very historic meeting, and I'm honored to represent the Seneca Nation, and be here to testify before your Committee.

And, I would like to thank, Senator Maziarz, and colleagues, for forming this very important committee.

I think we all realize that conflict is much more costly than cooperation. And, we hope this is a very positive step forward, as we move forward,

and do what's best for Western New York and New York State and the Seneca Nation.

I believe 15 minutes is far too short, but, we'll do our best here. And, in the interest of time and accuracy, I'll read my statement now.

I'll be glad to elaborate on it, on anything, later on.

My name is Richard Nephew, and I serve as chairman of the Seneca Nation Council. And I'm joined here, by Dave Kimelberg, chief executive officer of Seneca Holdings.

I'm going to briefly provide you with information about the Seneca Nation, and our history, and of our dealings with New York State.

David will then speak about the Seneca Nation's economic enterprises and our regional impact.

Today's committee hearing is a historic event. I applaud your efforts, Senator Maziarz, in creating this committee.

I too believe there is an urgent need for a productive dialogue between the State of New York, and the Indian nations and tribes located within the state's boundaries.

For too long, the State has attempted to make

decisions that impact the Seneca Nation, and other native peoples, without having an adequate understanding of our history and our culture, and of our sovereign treaty rights.

Let us hope that this is the beginning of a long and productive dialogue that will benefit my people and yours.

I also believe that it is important that you have chosen to have economic development as the topic of the Select Committee's first hearing.

As you know, the Western New York economy has long been in decline. People and families are suffering, and job creation is sorely needed. Leadership is sorely needed.

For more than a thousand years, the Seneca people have lived in what is now known as "Western New York." We have witnessed, experienced, and endured many changes over the centuries. And today we are a proud nation, with a rich history and -- rich culture, and a promising future.

The Seneca Nation of Indians is the largest of six indigenous nations that comprise The Six Nations Haudenosaunee Confederacy, also known as "Iroquois."

Following the American Revolutionary War, we

lost most of our aboriginal lands in a land-for-peace deal that secured the title to the lands we now occupy.

Most of our 8,000 citizens live on or near our Allegheny and Cattaraugus territories in Western New York.

Combined with our Oil Springs, Buffalo Creek, and Niagara Falls territories, we own, and retain full jurisdiction, of over 50,000 acres.

In 1794, the Seneca Nation, along with other nations of The Six Nations Haudenosaunee Confederacy, signed a treaty with the newly established United States of America, recognizing the sovereignty of the Seneca Nation, and establishing peace between our nations.

We were promised, in the Canandaigua treaty of 1794, that we would forever be secure in the free use and enjoyment of our lands.

There have been many challenges in our relationship during the last 216 years, but our treaty relationship with the United States continues today.

The United States recently fulfilled one of its obligations under the Canandaigua treaty by sending our share of $4,500 worth of cloth that is

distributed annually to the Haudenosaunee people.

Unfortunately, many of the promises made to us by the United States have either remained unfulfilled or have been broken, particularly the obligation to protect our nation from the predatory behavior of New York State, and its officials, over many years.

In the last two centuries, the Seneca Nation has had to deal with repeated efforts by the State to take over our lands, to impose taxation, commerce on our lands, and even to take control over our children to educate them.

For many years, our very identity as a distinct indigenous people was threatened.

Let me share some recent history.

In 1954, New York State pressured us into signing an illegal right-of-way agreement, to enable the New York State Thruway to cross our Cattaraugus territory near Silver Creek, for which we received inadequate compensation.

In 1961, New York State actively supported the taking of 10,000 acres of our Allegheny territory, by the United States, for the Allegheny Reservoir and the Kinzua Dam.

In 1976, the State coerced us into allowing

the Southern Tier Expressway to cross our Allegheny territory, by making promises, to this day remain unfulfilled.

And, now, New York State is breaking its promise of gaming-machine exclusivity that it made to the Seneca Nation in 2002, when we entered into a gaming compact, by allowing casino-like machines, and marketing them, in racinos, now called "casinos," and discussing adoption of a constitutional amendment that would allow commercialized gaming near our existing facilities and our promised exclusivity zone.

Despite these repeated challenges, we refuse to relinquish our treaty-protected guarantees for political and economic sovereignty.

We continue to look ahead to see what opportunities lie ahead of us.

There is much for the Seneca Nation to be proud of in terms of our economy.

In a short period of time, we have made ourselves into the fifth largest employer in Western New York, supplying nearly 6,000 high-paying jobs, with full benefits.

We invested over -- somewhere near 900 million in construction projects over the last

9 years.

We operate a 1. billion economy through your government, public and private-sector ventures, and our economic benefit stay in Western New York. They are not paid out to stockholders around the country, or around the world.

Our future is here. We have committed to investing in Western New York, and an interest in seeing the area economy grow and improve.

Every Friday, the payroll of the Seneca Nation and our gaming enterprises contributes to the Western New York economy. We give New York State an economic shot in the arm every Friday. Those dollars circulate in Western New York, and for the most part, stay in the region.

Seneca Nation has recently begun a long-term effort to diversify our economy.

We understand that tobacco and gaming are not future-growth industry we can rely on solely. We also recognize that we are not an island.

That is why, this past June, the Seneca Nation of Indians invited a number of public-sector and quasi-public-sector economic development groups, from Western New York and

Pennsylvania, to discuss how we can work collaboratively.

We recognize the outreach, and we recognize that outreach and collaboration are the keys to success.

The Seneca Nation of Indians is committed to continuing our role as a significant catalyst for economic growth in the region. A financially and economically vibrant Seneca Nation of Indians will benefit the region as a whole.

It is our hope that we can find the right partners who can help us advance the right strategy.

And, in partners, you know, we hope that this Committee, and all branches of the New York State government, will also be those partners.

We have been here for a very long time, and we're always going to be here. We're not going anywhere. We don't have the luxury, or the -- even the opportunity, to move out of state, to move to another country, to develop our economic engines that we need to develop and strategize for our future.

We don't have that luxury to move away.

We're always gonna here. And, we know that we need to reach out to, our neighbors, our

partners, in New York State, and develop that winning partnership.

As I said at the beginning, conflict is always much more expensive than cooperation, and, we're looking for that, moving into the future.

I'll now ask David Kimelberg, chief executive officer of Seneca Holdings, to provide some detailed information about the Seneca Nation's economy, and our efforts to grow and diversify our economic interests.

DAVID KIMELBERG: Thank you, Richard.

[Speaks in native language.]

Good morning, Senator Maziarz, and members of the Select Committee.

Like Chairman Nephew, I'm pleased to have the opportunity to speak with you today.

My name is David Kimelberg. I am a citizen of the Seneca Nation, and the chief executive officer of Seneca Holdings, which is the Seneca Nation's private equity investment and holding company.

I returned to the Seneca Nation two years ago, after over a decade of working in the private equity and venture capital investment industries.

I came back to serve the Seneca Nation, and to help execute on what I saw as a tremendous opportunity to build and diversify the Seneca Nation's economy.

Two years later, we have accomplished far more than I expected. And, I anticipate that this success will continue to grow rapidly.

The Seneca Nation's largely known for its gaming and tobacco industries. These industries, as Chairman Nephew has indicated, have created enormous amounts of revenue and jobs in the Western New York region.

I just wanted to underscore that.

We have created an over $1 billion a year economy, and we're the fifth largest employer in Western New York, which came very fast.

What may not be as widely known, is that the Seneca Nation's economy is rapidly evolving, to include a diverse number of other industries.

Seneca Holdings, the company that I lead, is leading that charge with great success, and I'd like to share some of that with you.

The Seneca Nation established Seneca Holdings two years ago, with the express purpose of diversifying the Nation's economy beyond gaming.

This decision was not made lightly. Instead, it was backed up by significant resources.

The Nation committed $28 million of capital in Seneca Holdings' first five years of operations.

We have had a tremendous amount of success during Seneca Holdings' first two years.

This success benefits, both, the Nation, and the entire Western New York region, a region that is sorely in need of economic development and capital investment.

Starting with nothing, Seneca Holdings has built five successful operating subsidiaries and diverse industries, such as, construction, telecommunications, broadcasting, green energy, and others.

All of these companies are based on Seneca Nation territories. They are cutting-edge organizations, led by sophisticated business people.

These companies have created millions of additional dollars in revenue, and jobs for both natives and non-native.

In addition to our operating subsidiaries, we have invested significant capital in other promising businesses, most of which are located in Western New York.

We are investing in the region, with a purpose of building companies and revenues, and returns for the Seneca Nation and our people.

We invest in Western New York because it has been our home for over 1,000 years.

We will always be here.

We are truly committed to the region like no other. And unlike multi-national companies that come and go through the region and the state, we will not relocate, and our expanding dollars stay here.

During my first two years, after coming back to the Seneca Nation, and helping to build Seneca Holdings, one thing has become apparent: The Western New York business community wants to build Western New York's economy alongside the Seneca Nation.

This community understands that a rising tide lifts all boats, and that the Seneca Nation can be a strong and valuable tidal catalyst.

For example: The Seneca Nation and its companies have valuable and unique business advantages, particularly in the federal sector.

Seneca Holdings is targeting federal contracting work, and one of our subsidiaries is

closing in on a significant federal contract. However, we can't do all this work alone.

Our strategy is to partner with our businesses, preferably in the Western New York region, to help us to complete this work, and expand our operations.

This is truly a win-win, the Seneca Nation and our neighbors.

The Seneca Nation businesses also have unique access to certain federal lending initiatives targeting Indian country. We have already utilized these initiatives to help to build our company.

In an environment of tight credit, these programs are incredibly valuable for our companies, and our partners.

The Seneca Nation and Seneca Holdings are quickly becoming an economic, diversification success story. Through Seneca Holdings, we are expanding our success beyond gaming and tobacco, into mainstream industries. Again, this benefits everyone.

The Western New York business community is beginning to understand the unique attributes that the Seneca Nation and its businesses bring to the table.

When I meet with Western New York business leaders, which is often, they're excited to get involved, and work together, to build the regional economy. They want the tide to rise.

And, they understand that the Seneca Nation represents one of the best ways to accomplish this.

Thank you for your time.

SENATOR MAZIARZ: Thank you very much, Chairman Nephew, and Mr. Kimelberg.

Again, we appreciate you being here.

Just, if you could -- Richard, my area of questioning is in the area of Kinzua Dam.

And, could you just explain to us, where the Nation is, at this time, with that development?

I know that I have appeared at hearings, along with the Senecas. I think it's a great opportunity for Western New York; for the Southern Tier of Western New York, and also for the Seneca Nation.

Could you would just brief us on where we're at with that?

RICHARD NEPHEW: Okay, to give you a short history first, and then what we had hoped to do.

It goes back many years, I believe, to at least the 1940s, where there was an interest in

building a dam, ostensibly, for flood control.

That's the story that we had back in the eras of the '40s and '50s.

We didn't know, at the time, it was never explained to us, that it was also about generating electricity.

There were some very murky perspectives on that, but, nonetheless, the dam was built. And, resulting in the flooding of approximately 10,000 acres of very prime homeland for the Senecas.

Completed early in the '60s. And, in more recent years -- well, at that time, there was a 50-year electric-generating license given to First Energy Corporation. It's had it all these many years.

And, in a few short years, that license is up for renewal.

We've stepped into the process.

From our point of view, we think, it's another issue that we're very much used to, is, trying to make lemonade out of lemons. And, it impacts us greatly.

That reservoir is there. It's flooded our lands, but, it's rendered the lands, not just underneath, but the lands associated with the

ebb-and-flow of the manipulated water levels of the dam.

So, even though there is a lot of our land that's not under water, there is a certain elevation that we can't live on, we can't build on, we can't grow crops on, because, you know, we're not in the control of that water level.

But, we believe, who better than to operate that facility, than us.

And we -- they want to take a -- First Energy wants to take a very superficial response to renewing their license.

We've asked for many more studies, to study the economic impact, the environmental impact, and all of the impacts that have on, not only our land, but also lands of New York State.

So, what we hope to do is, not only gain the license, but to explore ways to increase the electrical generating capacity. And, in doing so -- you know, the Seneca Nation, we're looking at it as a business decision -- any extra electricity that we can generate for our people.

Some estimates have been done that -- early estimates, that, if we can increase that capacity, we could, not only supply more electricity to our

people, at a discounted rate, but, also, there would be more left over, that we may be able to use for more economic-development uses.

So -- and, again, you know, we're looking at -- for a very positive win-win situation, economically, for the Seneca Nation and New York State, if we are to acquire that license.

SENATOR MAZIARZ: For the information of the people that are here that may not be familiar with this, this -- the reservoir is actually located in the state of New York. And, the 10,000 acres that were flooded of Seneca territory, were Seneca territory within New York. But the dam itself is actually located just over the border in Pennsylvania.

Is that correct?

RICHARD NEPHEW: That's correct.

SENATOR MAZIARZ: That's correct.

And the company that currently has the license to operate the dam, and has had the license for many years, is an Ohio-based company.

RICHARD NEPHEW: That's right.

SENATOR MAZIARZ: Right.

So, here we have a Seneca/New York resource, going to create, I think, about 600 -- a little over

600 megawatts of hydropower -- clean, cheap energy -- in Pennsylvania, that's, really, an Ohio company is profiting from it.

RICHARD NEPHEW: That's correct.

SENATOR MAZIARZ: If, in the relicensing process, if the State of New York were to join the Seneca Nation, and support the Seneca Nation's application to operate the Kinzua Dam, would -- and I don't mean to put you on the spot here. I realize you have a Council. You don't make decisions in a vacuum. -- but, would you be open to doing, reserving some of that power for economic development, maybe off of the Seneca Nation, in some of the Southern Tier counties of New York?

I'm looking at areas, economically depressed areas. I don't want to mention any names, but I think you know the counties that I'm talking about down in the Southern Tier of New York.

RICHARD NEPHEW: Yeah, exactly. That's very a topic of our conversations.

And, you know, if we can generate that extra capacity, and we can't use the power, obviously, it has to go somewhere.

SENATOR MAZIARZ: 600 megawatts is a lot of power.

RICHARD NEPHEW: It has to go somewhere.

SENATOR MAZIARZ: Yeah.

Okay. Thank you.

Senator Gallivan.

SENATOR GALLIVAN: Yeah, thank you, Chairman.

Chairman Nephew, I have one or two questions.

But, first, I think, as you know, my district; I represent a district, that, on the western end, starts in your territory. And, ironically, on the eastern end, the border is actually Canandaigua.

And you make reference in your testimony to the Canandaigua treaty of 1794.

And one of the things that I think is interesting about it is, that there's still two existing copies of it.

One is in the Smithsonian. The other is still located in Canandaigua, more, really, of a point of interest than anything else.

RICHARD NEPHEW: Yeah.

SENATOR GALLIVAN: And I know that we have talked on a number of occasions.

And, given my background in public service, I've worked with the Nation on a number of different things over the years. And, I think it's been a

good relationship.

But, the questions that I have: You made reference to -- for lack of saying them a better way, to a couple of different, disputes, issues; were in conflict with the State.

And, I know that, at least, a meeting, or several meetings, have been taking -- taken place, to discuss things, like, the issues relating to the Thruway, and, the differences in the gaming compact.

And I'm wondering if you're able to comment on the status of those negotiations?

RICHARD NEPHEW: Well --

SENATOR GALLIVAN: Now, before you do, I understand some of it, I mean, obviously, is subject to negotiation, and might be confidential.

But, to the extent that you're able to comment on it, could you?

RICHARD NEPHEW: Well, we are talking about it, and we look forward to resolving them.

I think they are resolvable. And, we have both taken sides, the State and the Seneca Nation, and we have cooperated as best we can, especially in a matter of public safety, when it came to the bridge repairs, most recently.

You know, I've mentioned, other conflicts,

areas of conflict. You know, and I have made complaints to the media many times over the years, that, you know, it seems kind of one-sided, their representation of -- seems to be so much discussion about what the State believes that the Seneca Nation owes to the New York State. But, they don't often, or hardly ever, report on what we believe the State owes the Seneca Nation; such as, the promises contained in the 1976 expressway agreement, that are yet unfulfilled.

And, I have said before, and I'll repeat it here: That, I'm embarrassed, that, in the late day of 1976, that the leadership of the Seneca Nation was so easily convinced -- and, no offense -- but, to the leadership of New York State at the time, that made those promises.

Many important things have been promised, and a list of things, and we've not seen it come to fruition.

So, when I have to deal with my people at home, and we talk about trusting New York State again, to guarantee us, or make agreements with us, or promise us anything, you know, my people at home say, you know, "You're crazy."

[Laughter.]

RICHARD NEPHEW: "What about 1976? You know, when are you going to ask them about that?"

So, many times, on our trips here to Albany, we do talk about that. We do bring those things up. But, it's hard -- it's hard to develop that trust with my constituents.

And, we're working as best that we can to work out our differences with New York State. We want to put them in the past.

SENATOR GALLIVAN: Well, you know, we certainly understand about hard -- when you made the comment, "hard to develop" the trust with your people, New York State government has gone through that over the past several years. And I think we've made great gains to regaining our citizens' trust with the progress we've made this year.

So, I understand the position that you're coming from.

Would you just -- you employ -- the Nation employs about 6,000 people?

RICHARD NEPHEW: Yes, about that.

SENATOR GALLIVAN: Can you can, like, talk about the demographic of the employees: where they come from, who they are?

RICHARD NEPHEW: Well, they're from all over

Western New York.

And, I actually know that we've also employed some Canadian citizens.

Some citizens of Pennsylvania, that, as you know, in the Salamanca area, we're relatively close to Pennsylvania border, where it makes sense for them to take a job here.

But, yeah, we believe, that -- well, there's approximately 8,000 Senecas. Mostly Senecas in Western New York. Some scattered around the world. But, I think just about every Seneca that wants a job in the gaming industry, has a job.

I mean, it's just impossible to employ only Senecas, so we --

Let me look here. I might have a percentage for you.

I don't have that percentage, but, it is a large percentage.

SENATOR GALLIVAN: Of non-Indians?

RICHARD NEPHEW: That's right.

SENATOR GALLIVAN: That are employed?

RICHARD NEPHEW: Yes.

SENATOR GALLIVAN: Is it -- I seem to remember -- I was present at a hearing, where President Porter testified.

And, if I remember correctly, would it be accurate, that it's somewhere over 50 percent of your employees are non-Indians?

RICHARD NEPHEW: Oh, yes, far over 50 percent.

I would say, over 80 percent. Maybe, somewhere around 90 percent.

SENATOR GALLIVAN: All right.

And one last question, it does have to do with the employees.

And, we hear in broad strokes, and you see in the media, issues relating to taxes: Indians, taxes, and it's just, taxes, in general, but, nobody really talks about.

And can you just clarify for everybody, the employees; the taxes that you pay on employees?

And, is there any difference between what a non-Indian business pays, as far as the payroll taxes, withholding, et cetera?

RICHARD NEPHEW: You're talking about private business?

SENATOR GALLIVAN: Yes.

RICHARD NEPHEW: Any employee, I believe, either in the private sector or government sector, including the employees, if they're not resident on

our territories, then they must pay New York State taxes.

SENATOR ALESI: All right, so, the issues regarding taxes, they're limited to the sales tax, the point of difference?

RICHARD NEPHEW: Well, the --

SENATOR GALLIVAN: Or, the source of differences has to do with sales tax --

RICHARD NEPHEW: Well --

SENATOR GALLIVAN: -- not payroll taxes.

RICHARD NEPHEW: Okay.

Payroll taxes, if they're resident outside, yes, they -- we have to pay.

We believe we've been guaranteed, the security of our territories, on that note, of the sales taxes. And it's kind of a misin- -- I don't know, misinterpretation, or misinformation, that we pay no taxes at all.

In fact, any goods coming into our territory, mostly -- I guess, unfortunately, we have to talk about cigarettes -- but, our federal taxes are paid.

All of us pay, federal taxes, employment taxes.

And, you know, due to the treaties, and the tens of thousands of acres that we relinquished for

those treaties, and for those promises, we believe our taxes are pre-paid. You know, we -- we believe that it's covered in the treaties.

SENATOR GALLIVAN: All right. Thank you.

Mr. Kimelberg, I have just one question for you.

And, you speak about economic development; and, specifically, your testimony had to do with the Western New York business community wanting to build, with you, Western New York's economy.

Can you -- I know you spoke of just a few things, but, could you elaborate on that?

DAVID KIMELBERG: Certainly.

We are -- we have become an integral part of the Western New York business community; particularly, with the creation of our new businesses, and our new investments.

I consistently meet with business owners in Western New York, be it in the construction industry, in the development industry, and a diverse number of industries. And, they see their businesses stagnating.

However, they see a route to success, a route to growth, by partnering with our entities, because we -- like I said, we bring unique attributes, that

cannot be found elsewhere, to the table, primarily in the federal sector.

And they like that. They see the opportunity there. They want to partner with us, and leverage those benefits.

So, like I said -- and this is a consistent refrain I hear in the Western New York business community: It's an education. It's getting people up to speed with what we can offer.

Because, frankly, when I meet with people, they're actually surprised how much there is to offer, and how much opportunity there is.

But, we've spent two years, meeting with people, getting people up to speed. And, people are very excited about this.

SENATOR GALLIVAN: Are you able to, in that two-year period -- and if you're not, that's okay -- are you able to quantify that?

If you'll go back two years: How many non-Indian partner businesses did you have? And, how does that now compare, two years later?

If you're able to.

DAVID KIMELBERG: Sure.

Our companies, to date, we've grown organically. Other than one, we've partnered with a

business.

But, we have, in eleven, we are probably looking at somewhere in the range of 20 million revenues, top line.

Twelve, we're expecting to double that.

And, created a number of jobs.

SENATOR GALLIVAN: And this is non-gaming?

DAVID KIMELBERG: Non-gaming.

SENATOR GALLIVAN: Non-gaming businesses.

DAVID KIMELBERG: Correct.

SENATOR GALLIVAN: All right. Thank you.

Thank you, Chairman.

SENATOR MAZIARZ: Thank you, Senator Gallivan.

Just one follow-up, Mr. Kimelberg.

Governor Cuomo has recently designated these regional economic development councils.

And I know that the one in Western New York is headed by Dr. Satish Tripathi, and, uhm --

SENATOR KENNEDY: Howard Zemsky.

SENATOR MAZIARZ: -- and Howard Zemsky.

Thank you.

And, I know that they're just getting underway, but one of the suggestions that came up at the meeting that was held at Niagara County

Community College last week, was that, the members of the council meet with the Seneca Nation, meet with yourself, to talk about opportunities, with the Regional Economic Development Council; and, most particularly, with the University of Buffalo.

You know, Senator Kennedy, Senator Gallivan, Senator Grisanti, and myself, were strong supporters of the UB 20/20 proposal, which, you know, was approved by the Legislature, and by Governor Cuomo, this year.

And it's -- we think it's going to be a great economic engine within Western New York.

And, clearly, I think my colleagues would agree, that it would be beneficial for everyone, you know, for the Senecas to be a part of that.

So, just, by way of a suggestion, more than a question.

DAVID KIMELBERG: No, I would like to echo that.

I think it would be very useful for us to reach out, to have a line of communication with those councils, because, you know, like we've outlined today, we're a tremendous economic force in Western New York. And I think that there's a lot of synergy there, a lot of activity, that can go on

with that council, and the Seneca Nation, and our holding company, and our businesses.

So, yeah, I would certainly echo that statement.

SENATOR MAZIARZ: Thank you.

Thank you very much.

DAVID KIMELBERG: Thank you.

SENATOR MAZIARZ: Thank you.

Thank you, Richard. Thank you, Mr. Kimelberg. We appreciate you being here today.

Thank you.

RICHARD NEPHEW: Thank you.

DAVID KIMELBERG: Thank you.

SENATOR MAZIARZ: And, Richard, you can see we never stick to the 15-minute limit, ever, so...

RICHARD NEPHEW: Great.

I think we could spend the whole day, actually, talking about it.

SENATOR MAZIARZ: Our next witness is Representative Ray Halbritter, of the Oneida Indian Nation.

Thank you very much, Mr. Halbritter, for taking the time to be here today. We appreciate your attendance.

RAY HALBRITTER: [Speaks in native language.]

I bring you greetings of peace from the Oneida people of the Oneida Indian Nation.

Chairman Maziarz, members of the Committee, I thank you for the opportunity to discuss issues of mutual concern to the State and the Indian nations within New York's borders.

I'd like to commend the Committee for restarting this dialogue.

I'm hopeful it will be the first of many hearings that focus on ways we can work together in productive and positive ways on behalf of the people we all represent.

I was asked to speak about the history of the Oneida Nation, as well as, some of the issues of Indian nations, and economic development in New York.

We are -- we've been here since time in memorial, our Indian people. And, we are taught to think in terms of the seventh generation of the future; to consider our decision-making, and its effect under the seventh generation.

But these two topics, the history of my people and the economic development in New York State, happen to be very closely related.

To better understand what I'm saying, let me begin by -- this testimony, by making a guarantee to this Committee.

One year from now, when this hearing is held again, there will be -- not be one Indian nation represented here today that will have relocated out of state, or stopped making significant investments into the communities we represent.

Five years from now, when this hearing is held, not one Indian nation represented here today will have relocated out of state, or stopped making significant investments in the communities that we represent.

Twenty-five years from now, and fifty years from now, when this hearing is held, not one Indian nation here will have relocated out of state, or stopped making significant investments in the communities we represent.

The reason we can be so confident in making this guarantee, is because it's the exact same guarantee our people made to George Washington in 1794, that resulted in the treaty of 1794, Canandaigua, and, countless other leaders over the existence of this country.

Through good times and bad times, through

poverty and prosperity, we have been here. And, we will be here to the end of time.

That is our guarantee.

We think in terms, in long term; terms of the long view, of the view of generations coming after us.

This time we have today really is a time we think belongs to our children and their future. And that's why we must be very careful, and considerate, about what we do as a people.

But, how many businesses in New York can make the same guarantee?

You'll never read in a newspaper headline, that says: The Oneida Indian Nation to outsource jobs to another state. Or, the Oneida Indian Nation to relocate its headquarters overseas.

In a time and era of economic insecurity, with countless examples of businesses leaving the state in order to better compete in the global market, Indian nations have proven to be a stabilizing economic force, willing to make the type of long-term financial investments that are so uncommon in today's economy.

It's critical that members of the State Legislature and the Administration understand

this essential point.

We are governments obligated to invest our revenues and resources into our ancestral lands and surrounding communities right here in New York.

This is the real story that some would rather not discuss.

Given this reality, New York State should be looking to us, as a partner, in helping overcome the financial downturn it has been in for so many years.

However, recently, that has not been the case. We have not been seen as partners, but, quite the opposite.

Not including today's hearing, I can't remember the last time the Indian nations were invited to testify in Albany about ways to work, collectively, together -- together, to confront our many mutual challenges; namely, determining how best to generate the economic and the community-building activity that gives us the resources to provide for the health, education, and general well-being of our citizens.

More to the point, while the Indian leaders here today have all testified before a congressional committees in Washington, D.C., and have worked with the White House, in both Democratic and Republican

administrations, to address the major economic issues facing our country, for some reason, there's not one Indian nation on any of the ten regional economic development councils the State launched in an effort to redesign the relationship between New York and its businesses.

And why is that?

I would venture to guess, that most objective people looking at the proven track record of economic development by Indian nations in New York State would believe that the State would have much to gain by drawing on our expertise and knowledge of our communities, and helping to improve the general economic environment of New York.

Just take a look at Central New York.

The region was once one of the primary manufacturing centers of this country, until the shareholders and board members of countless companies, closed up, and moved out of state or overseas.

At the same time that these companies were leaving New York, the Oneidas were investing back into the community.

In the process, the Oneida Indian Nation emerged as one of the most positive economic forces

in Central New York.

The Oneida Indian Nation is the largest employer in Oneida and Madison Counties, and the third largest employer in the 16 counties that make up Central New York, behind only Cornell University, and the State University Health System, both tax-exempt entities.

The Oneida Indian Nation employs nearly 5,000 people in Central New York.

Turning Stone, our destination resort, brings more than 4 1/2 million visitors a year into our community.

We have a payroll exceeding $125 million a year, that has invested directly into our local economy, last year alone.

We invest in many other businesses as well.

Our other operations include, the SavOn chain of convenience stores, RV park, three marinas, Indian Country Today media network, Four Directions Productions, a fishing lodge, and a car-care center.

According to an independent analysis commissioned by the United States Bureau of Indian Affairs, the Oneida Nation's enterprises and government programs generate nearly $17 in economic

activity for every $1 that the state and local governments forgo in tax revenue from the Oneida Nation.

If I may put that in business terms, that is a dramatic return on investment.

We never turned our backs on the people of Central New York, and we never will.

Today, we are building the economic and community foundations that will enable our children, and our neighbor's children, to continue to live in our part of the state.

Revitalizing New York's communities is certainly no easy task. Believe me, the Oneida people know something about the challenges involved here.

But, if the State is willing to work with New York Indian nations as a partner, if negotiations are conducted in good faith on both sides, I'm certain that, together, we can create symbiotic relationship that will allow all New Yorkers to reap the benefits of our labors.

It brings us -- bring us to the table as a partner, just like the Founding Fathers of this country did so many years ago. Rather than as an adversary, let us muster our collective wisdom and

creativity to find solutions to the challenges we face.

By working together, we can help build a bright and secure future for our families, and for the faces yet unborn.

Again, thank you for providing this forum. And, I look forward to working with you in the future, to provide a better future unto the seventh generation.

[Speaks in native language.]

RAY HALBRITTER: Thank you.

SENATOR MAZIARZ: Thank you very much, Mr. Halbritter.

We appreciate, again, all that -- all that you personally do, and the jobs that you create, and the economic development.

Could you just give, are there any -- you mentioned some of the areas of job creation that the Oneida Nation is involved in today.

Are there any other areas of economic development, job creation, that you're considering in the immediate future, or in the distant future?

RAY HALBRITTER: Well, we've been working, about ten years, on the -- developing a Four Directions Production, which is a live-action

and animation production company that does film.

And, recently, we have just initiated a project, and -- of doing a film in Central New York, relative to our history, and, of course, the history of New York, because that's where it all happened.

And I do think that there is a possibility of that industry doing more in the region. And we're hoping to spur some of that, and spark some of that.

There -- some of the outstanding issues that we have with the State, relative to land and taxation issues, really prevent a broader approach to economic development where we are.

But, we could create, I believe, sincerely, hundreds, if not thousands, of more jobs in our region, with some security to investors and partners who we would like to work with and potentially bring to the area.

There are, really, many, many opportunities.

And, see, we look at it differently than another business because, this is our home. We have been here since time in memorial.

This is about New York. This is about our homeland. It's about, where we've been, where we'll always be.

So, our greatest concern, is about the

development of our community, and also part of -- as being part of this state.

SENATOR MAZIARZ: Thank you.

Senator Gallivan.

SENATOR GALLIVAN: Yeah, if you could just educate me, if you're able to, the same question I had asked earlier of the Senecas: the demographic of your employees.

You have a little less than 5,000 employees?

RAY HALBRITTER: We have a little less than 5,000. We have, about 90 percent, are non-native. And we have hundreds of employees, actually, from around the world.

And, Utica has a refugee center. And, they bring in people from Somalia, and other countries, all the time. And we have, about, four to six hundred of those people working, from -- as refugees from around the world.

So, it's an amazing, actually, employee base.

We have, uhm -- we have been open since '93.

We have mothers and daughters working there, together. We have children of parents that have been there so long.

There's -- we have such a very good work force, that some of these people have such great

upward mobility.

We provide so many great benefits to our employees, too; retirement, tuition incentives, healthcare, that, even for part-time employees, that almost no employer does. Many of those benefits that we do for our employee base.

So, we work with the ARC as well. We've received awards from the ARC, statewide, for employing citizens who are challenged in other ways.

So, it's -- we have about 5,000 -- just under 5,000 employees, and an incredible work force that we've been able to develop.

SENATOR GALLIVAN: How about vendors? Are you able to quantify, in dollars, or in number, of non-Indian vendors that you deal with?

RAY HALBRITTER: Well, of course, we have many, many vendors.

How many? We have hundreds that we deal with.

We did -- we've got almost a billion dollars into the ground.

Our payroll exceeds $125 million a year.

We do over $300 million a year in vending, as far as purchasing goods and services.

As I said, the study by the federal

government said, that, for every dollar that was forgone by local tax -- local governments and state governments in tax revenue, $17 was returned, because of the economic development that we've done there in Upstate -- in Central New York.

SENATOR GALLIVAN: All right, thank you.

Thank you, Chairman.

SENATOR KENNEDY: Thank you.

Just one last question, Mr. Halbritter.

RAY HALBRITTER: Sure.

SENATOR MAZIARZ: The movie that you talked about, was that a single-movie venture, or is that like a film industry that you're trying to create in Central New York?

RAY HALBRITTER: Well --

SENATOR MAZIARZ: If you could just --

RAY HALBRITTER: -- we have a Four Productions --

SENATOR MAZIARZ: -- not that I want a role in the movie --

[Laughter.]

RAY HALBRITTER: -- no, it's --

SENATOR MAZIARZ: -- but, you know.

[Laughter.]

RAY HALBRITTER: -- well, we --

SENATOR MAZIARZ: I wouldn't get one anyway. Maybe one of these two would, but...

RAY HALBRITTER: Auditions are continuing.

SENATOR MAZIARZ: They're younger and better looking than me.

RAY HALBRITTER: We have a Four Directions production company, which we created for some years now. And we have done a number of films, as well as, we've done some ads, and other commercial activity, for businesses around us.

And, so, we've done an animated feature that won awards internationally, as well. It was screened in Cannes, actually, our first film, "Raccoon and Crawfish."

And, we're just ready to complete another animated feature, recently. And it's being -- it's actually selling quite well in the regional area.

So, it's part of an industry that we're sort of developing ourselves, but the film was a little bit more than our small production company can do, so we outsourced that, from -- we hired a production company to come in and do that.

But, we do think, given the experience we've had with that industry, that there's opportunity in Upstate. There's opportunity in working with the

State. I think, they -- you know, you just don't know. There's just a lot of opportunity, that, working together, I think we can look at, and develop.

And, we have resources. I mean, Indian nations, now that we -- with this success, I mean, our resources, we want to invest right there in our homeland, right where our communities are.

So, I think there's more opportunity there.

SENATOR MAZIARZ: Well, I tend to agree with you.

And, actually, during the years I chaired for a few years, the Senate Labor Committee, and we used to meet a lot with the film industry, you know, mostly surrounding issues in New York City, because that's where they wanted to be -- that's where they're actually located, that's where they wanted to make films.

And I know that Senator Robach, often, would try to entice them to come up to -- you know, obviously, Rochester was the home of Kodak, still is the home of Kodak.

But -- and I think that some of those major motion picture folks were amazed at, number one, at how much more -- less expensive they could

produce movies in Upstate New York.

So, I always thought that it was a great place for that industry to locate; to look at Upstate New York and Central New York, and --

RAY HALBRITTER: Well, this is one example, where Indian nations, and the status of their lands, can be an advantage in an economic-outlook opportunity like this, because their lands are regulated by Indian nations, so, you don't have, necessarily, all of the, sort of bureaucratic regulation that industry has to go through in order to do what it needs to do. And, their lands are non-taxable.

So, there's an advantage there.

There's, potentially, some federal tax benefits as well.

But, these things, once you discuss them, and talk about them, package them for this industry, they simply are unaware of this. They're unaware of the advantages.

And, that's something that the State and the Indian nations could work together, as one example.

SENATOR MAZIARZ: Thank you.

Thank you very much.

And, we will pass along your suggestion on

the regional economic development councils.

RAY HALBRITTER: Yes, thank you.

SENATOR MAZIARZ: Thank you very much for being here today.

Okay, our next witness is Chief Ron LaFrance, Jr., of the Saint Regis Mohawk Indian Nation.

Thank you, Chief LaFrance, for being here today.

RON LAFRANCE, JR.: You're welcome.

SENATOR MAZIARZ: And I would just like to note for the record, that I had the pleasure of a meeting at the Saint Regis Mohawk Economic Development Engine, up in the North Country, like, about a month ago, six weeks ago, or whatever.

RON LAFRANCE, JR.: Yes.

SENATOR MAZIARZ: And, I just wanted to thank you for your hospitality.

It was a very informative meeting. We talked about education issues, law enforcement issues, and economic-development issues.

And, I was very impressed with your entertainment facility that you have there, and --

RON LAFRANCE, JR.: But you didn't spend any money.

[Laughter.]

SENATOR MAZIARZ: I didn't spend any money.

So, I just wanted to publicly say: Thank you.

RON LAFRANCE, JR.: You're welcome.

SENATOR MAZIARZ: It was a long drive up there, I can tell you that.

RON LAFRANCE, JR.: We made the ride this morning.

[Laughter.]

RON LAFRANCE, JR.: At 5:00.

SENATOR MAZIARZ: Thank you, Chief.

RON LAFRANCE, JR.: Thank you.

I would like to start off by saying: [Speaks in native language.]

In my language, I said: Hello, to everybody.

And, in my language, my name means: He pulls down the sky.

My given name -- that's my given name -- or my chosen name, I should say.

My given name is Ron LaFrance, Jr.

And, like Senator Maziarz said, I am one of the chiefs from the Saint Regis Mohawk tribe.

And on behalf of the Saint Regis Mohawk tribe, I would like to take this moment to recognize, and express thanks to, Chairman Maziarz,

for his role in establishing this committee, and for including us in this very important dialogue.

Our current reservation is located in Franklin and Saint Lawrence Counties in Upstate New York, right on the Canadian border. In fact, the border dissects the Mohawk community in half, leaving two separate and distinct federally recognized Mohawk governments: one in Canada, and one in the United States.

In addition, many Mohawks maintain citizenships with the traditional Mohawk Longhouse governments.

The Saint Regis Mohawk Tribe's current governmental structure, adopted in 1802, consists of: three chiefs, three subchiefs, and a tribal clerk.

The Saint Regis Mohawk Tribal Council chiefs are responsible for setting policy and making major decisions on behalf of the tribe.

We oversee the operation of the Saint Regis Mohawk tribal government, and ensure the quality programs and services are made available to our people.

New York State and the United States federal government deal with the Saint Regis Mohawk Tribal

Council on a government-to-government level.

In addition, like any other government, we administer environmental, social, policing, economic, health, and educational programs, policies, laws, and regulations.

The Saint Regis Mohawk tribe has witnessed a remarkable expansion in recent years. We have experienced economic growth, largely made possible by the growth of our bingo and casino operations.

The tribe's gaming-led growth has been built upon an active private sector, and bolstered underfunded tribal programs to address poverty, health, education, the environment, and a host of other public concerns.

As beneficial as our growth has been for Mohawk citizens, it has also had positive effects on the surrounding non-Indians and their communities.

In particular, the total Saint Regis Mohawk tribal employment consists, both, governmental, as well as gaming, employees, has grown, from 956 in 2003, to 1,370 in 2010, making the tribe the third largest employer in combined Saint Lawrence and Franklin Counties, and the fifth largest in Northern New York. The majority of these employees are non-Indians.

The combined payroll of our government and gaming operations was approximately $39 million, with another, approximate, $20 million in payroll-related benefits. These benefits are some of the most generous in the region, including health insurance, employer-sponsored retirement funds; benefits that few employers in the region continue to support at the level the tribe and its gaming operations do.

Since 2005, the Saint Regis Mohawk tribe paid nearly 55 -- or, $56 million in direct revenue sharing with New York. Of that money, one-quarter has gone to Saint Lawrence and Franklin Counties, to fund economic development, and compulsive gaming -- gambling programs, at the counties' discretion.

Equity transfers from the gaming enterprises to the tribal government has increased drastically, from 700,000 in 2003, to 17 million in 2010, helping meet chronic gaps in federal and state funding for Indian programs.

Since government spending is largely wages and personnel benefits, the majority of that money stays in the region.

The private sector on the Saint Regis Mohawk Reservation employed at least 400 Indians and

non-Indians, and helped fund 3.5 million in tribal government, via spending, via fees collected from licensed retailers, wholesalers, and manufacturers.

The Saint Regis Mohawk tribe creates net economic benefits for Saint Lawrence and Franklin Counties by drawing in only one-third of its revenue from the region, while expanding about the same proportion of its vendor outlays, and 98 percent of its payroll, in the region.

Similarly, tobacco and gas sales, and other spending, on the territory bring net benefits to the region, since about 35 percent of the sales volume derives from Canadian visitors.

Far from depending on federal and state taxpayers, as myths may have it, the Saint Regis Mohawk tribe has become an engine for local employment, growth, and economic development.

In addition, the majority of the employees are non-natives. Roughly, 72 percent of the casino employees, 60 percent of the bingo employees, and about 40 percent of the Tribe's government employees, are non-Indians.

At this time, with the potential of increased competition from commercial gaming ventures, that may, or not be, from this state, or even this

country, it is important to note, like Ray said, that Indian gaming brings tangible benefits for both tribal members and taxpayers that other commercial ventures may not.

For example: The revenues, local spending, and payroll benefits exceed what would occur under other economic development in other casino-ownership structures.

Tribal government-owned casinos, like the Mohawks, the Senecas, and the Oneidas, neither disburse our profits to shareholders around the world, nor move their headquarters out of state.

The Saint Regis Mohawk economy cannot supply all requisite goods, services, and labor to operate governmental services and gaming operations. We spend millions of dollars in local and regional economy, annually.

The reservation economy is also associated with a $5.8 million in local and state excise tax.

While the economy of the Saint Regis Mohawk tribe no longer relies exclusively on the sale of tax-exempt products, it would be irresponsible of me to not include this sector of our economy in my presentation today.

Because of our remote location in the state,

for many years, our economy relied heavily on the sale of tax-exempt cigarettes and gasoline for our very survival.

To this day, the Saint Regis Mohawk tribe has licensed over 50 businesses, and they employ over 400 local residents, many of whom are your constituents, and most of whom would be out of work if it weren't for these jobs.

Customers who purchase from tribal retailers retain more disposal income for other consumption than they would under New York State's tax scheme.

And what I mean by that, is, when they come to our community and buy cheap cigarettes, they have more money to spend in their own communities, which they are not spending in mine.

Much has been said about, of the need for the collection of cigarette taxes on sales made to non-natives on our reservations and within our territories.

It is clear that the anticipated windfall to the State from the imposition of increased tax -- these increased taxes, and in particular, imposing those taxes on cigarettes sold to Mohawk retailers, has not become a reality.

In fact, the increase in cigarette sales by

the State has created prohibition-like incentives for tax evasion across state boundaries, resulting in even more dollars leaving the state.

Our situation, in particular, the imposition of the State -- of a State tax on cigarette sales within our reservation has harmed the Northern New York economy, resulting in a lost of jobs, loss of valuable revenue to the tribe, and a decrease in Mohawk business owners' purchases of goods and services from the neighboring towns and communities.

As a result of the recent State actions that threaten the economic basis under which the Saint Regis Mohawk tribe has managed to thrive and survive, the leadership of the Mohawk tribe fully understands the importance of diversification of our economy, and will continue to do so, and invest in our gaming operations, while pursuing other economic-development opportunities.

For example: The Saint Regis Mohawk tribe recently received federal funding, to provide broadband connectivity to over 1,500 households and 200 local businesses in our community.

In the long term, this will create jobs and opportunities for enhanced private-business

development.

The Saint Regis Mohawk tribe has also initiated the construction of an expansion of our gaming facilities, that will include, a new hotel, an RV park, and additional infrastructure.

The $75 million investment will increase our gaming revenues, while creating hundreds of temporary construction jobs, and, additionally -- and, initially, 50 additional permanent jobs.

The result -- the overall result will be additional tribal revenues to invest in other opportunities.

Other opportunities include, public transportation, which is sorely needed in the region, which will, in turn, spur the local economy, not only within Akwesasne, but within our neighboring communities.

In conclusion: The Saint Regis Mohawk tribe has been a consistent source of economic growth in the North Country, and we will continue to be for many, many years to come.

While the populations of our neighboring towns are dwindling, our population is growing, and so is our potential.

We look forward to continuing our work with

regional partners, such as the area chambers of commerce, the North Country, Regional Economic Development Council.

And, we look forward to a continued dialogue with members of this Committee.

Thank you for your time at this hearing.

[Speaks in native language.]

SENATOR MAZIARZ: Thank you very much, Chief, for coming here today.

We know, and Senator Little, and Senator Richie, constantly remind us, that there are very particular challenges in the North Country, given the relatively remote area of the location of the Akwesasne Reserve.

I know that, when we met, we talked about, one of the issues that seemed to be on many of your colleagues' mind, was the issue of education, and some issues that you had with the State Education Department.

And, I just wanted to let you know, that, both, Senator Richie and Senator Little, have reached into the State Education Department, to talk about this.

I don't know if you wanted to just mention those.

I think, again, for the purpose of my colleagues, and the colleagues that are represented here by staff people, it's good for us to know that you have those types of issues, and sometimes how the bureaucracy gets in the way of what you want to do.

So, if you could just comment on that.

RON LAFRANCE, JR.: Well, we're in the process of negotiating the school budget with the Salmon River School District.

And, part of that, is getting more control of our children's decision. And by doing so, we feel that it is very important that the tribe be a signatory to this, these negotiations, and the contract itself.

SENATOR MAZIARZ: I know that, in Western New York, at least in one small school district, the Akron School District, the Seneca Nation does have an agreement with the school district, to provide --

RON LAFRANCE, JR.: And Salamanca.

SENATOR MAZIARZ: -- and, in my opinion -- in my opinion, just my estimate -- it worked out very well.

RON LAFRANCE, JR.: Uh-huh.

SENATOR MAZIARZ: With that, Senator Gallivan?

SENATOR GALLIVAN: No.

SENATOR MAZIARZ: Okay, Senator Kennedy.

SENATOR KENNEDY: Yeah.

Thank you, Chief.

RON LAFRANCE, JR.: Uh-huh.

SENATOR KENNEDY: Briefly, Chief, you can just discuss the borders of the territory, the Saint Regis Mohawk territory, that transcends both United States and Canadian border, the unique nature of that, as well as, some of the unique problems that may be faced by the Nation, given that setup?

And, what we may be able to do to be helpful in resolving some of these issues.

RON LAFRANCE, JR.: Move it. Move that border, so that our community can be one.

We have to go -- to visit our relatives that live on the Canadian side, we have to go through Customs, and then turn around and come back to our homeland.

Other than that, I mean, it's a very -- it's an inconvenience for us.

I don't know how you feel, you know, when you're coming out of your community, if you would,

you know, be pulled over by the Border Patrol, and say, "Did you report?"

Well, 99 percent of my people say: No, we don't have to. We didn't leave our territory.

So, that's always been a problem.

I mean, we never asked the border to be put directly down the middle of our territory.

When I was a kid, my grandmother's house was situated right on the border. So, whenever there was any trouble, they either went to, this side, or that side [indicating.]

Now, you might laugh, it might be funny, but those are things that we deal with every day.

SENATOR MAZIARZ: Chief, are you given any --

I'm sorry.

Did you have --

SENATOR KENNEDY: No, go ahead.

SENATOR MAZIARZ: Are Native Americans given any special consideration at the border-crossing?

I would assume most of the crossing is done at Cornwall?

RON LAFRANCE, JR.: Yeah, there's a crossing at Cornwall, and then there's a port in Massena.

And what was your question again?

SENATOR MAZIARZ: I said: Are -- do you have

any special consideration?

Like, in Western New York, we have a nexus pass that is available to --

RON LAFRANCE, JR.: Not at this time.

On the Canadian side, they have -- well, they used to have Indian Lane.

But on -- when you're coming through the American side, you have to wait in line just like everybody else. And, it's like being interrogated when you come through the border.

I don't know how it is for you guys, but, you know, I don't know if one of the first questions you get asked is, "Do you have $10,000 or more?"

They don't even ask you where you live.

That's the first question that they ask you: "Do you have $10,000 or more?"

Now, I don't know if that's proper protocol, but it -- you know, I would encourage every one of you to go through the border, and to see what it is that we have to deal with.

SENATOR MAZIARZ: Anything else?

Senator?

SENATOR KENNEDY: Thank you.

SENATOR MAZIARZ: Thank you very much, Chief. We appreciate --

Oh, I'm sorry.

SENATOR GALLIVAN: Can I just follow up on that?

Is that, the border -- is the border located on the reservation?

RON LAFRANCE, JR.: Yeah. Part of it is. Part of it --

SENATOR GALLIVAN: Well -- I'm sorry, let me ask it a different way.

I know that the border is -- the Canadian/American border --

RON LAFRANCE, JR.: Uh-huh.

SENATOR GALLIVAN: -- transects the reservation. I understand that.

But, the Border Patrol, and the checkpoints that you may have to go through, is that on the reservation as well, or do you go off the reservation.

RON LAFRANCE, JR.: Well, as you know, the Border Patrol can pull you over wherever they feel like.

You know, they have some kind of federal law that says that, they can, on any ancillary road leading from a Customs, that they have the ability to pull you over, whether it's on, Saint Regis Road;

Frog Town Road; Route, 37, 81 -- it doesn't matter -- they have the right to do that.

There are no more border houses on the Reserve, but, the Border Patrol presence is there.

SENATOR GALLIVAN: Okay, thank you.

SENATOR MAZIARZ: Thank you very much, Chief. We appreciate you being here today.

With that, Chairman Randy King, of the Shinnecock Indian Nation, informed us that he was unable to be here today.

So, that concludes this hearing.

Thank you all very much for being here.

And, I want to thank, Senator Kennedy, and Senator Gallivan, for driving all the way from Western New York, to be here today.

(Whereupon, at 11:38 p.m., the public hearing, held before the New York State Senate Standing Committee on State-Native American Relations, concluded.)

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