

Nancy Todd Tyner
Casino Journal
March, 2002

Ads For All Occasions
*Arizona's gaming tribes are determined
to win -- wherever the battle may be.*

There's a fine line between pre-emptive and pre-mature -- and Arizona's gaming tribes are walking it like a tightrope.

A few months ago, the Arizona Indian Gaming Association garnered a good amount of industry press when it launched what's been called a "pre-emptive media strike" to protect the Grand Canyon State's tribal casinos.

So far, that effort includes a blitz of TV spots and a direct mail campaign, orchestrated by a ring of political consultants.

The fact that an Indian tribe is bankrolling a heavy-handed PR effort shouldn't raise an eyebrow these days, particularly after 1998's record-breaking \$68 million ballot battle in California (led by Paul Mandebach, now working for the Arizona tribes). Gambling is often the difference between prosperity and poverty, and tribes will spend what it takes to keep their casinos.

The interesting aspect of this effort is that it seems to be a one-size-fits-all campaign. The Arizona tribes don't know yet whether their fates will be decided by voters or by lawmakers -- or, according to media reports, which one of those options they'd prefer. They only know that public support will be valuable in the near future, so they're trying to stockpile as much goodwill as they can, as quickly as possible.

This elaborate production was probably not anticipated a year ago. As the current 10-year compacts (17 in all) begin to expire in 2003, renewal could have been relatively painless and private.

Of course all parties realized that the agreements were headed for a revamp before re-approval. The deals brokered in the 1990s didn't account for revenue distribution among tribes, for exclusivity payments to the state, or for the fierce animosity that would spring up between racetracks and tribes as the tracks started to clamor for slots.

Still, it was assumed that the tribes would negotiate new agreements with current governor Jane Hull, just as they'd done with former governor Fife Symington in 1993 and 1994. Hull's hopes had already been publicized in the Arizona press: a seven percent cut of casino profits and a cap on new casinos, in exchange for an increase in the number of slots allowed at existing sites and continued exclusivity. Maybe not ideal from the tribes' point of view, but reasonable in comparison to contemporary state-tribal compacts.

Last summer those preliminary proposals were sidetracked by a lawsuit brought by envious track owners, who claimed that Symington never had the authority to negotiate with the tribes; that the first agreements should have been made with the legislature instead. Federal District Judge Robert Broomfeld agreed, declaring the tribes' compacts invalid.

In the wake of that ruling no one has attempted to shut down any of Arizona's tribal casinos or stop them from expanding. With general support among voters and in the legislature, gaming goes on.

However, the ruling has raised the question of exactly *how* gaming will go on. There seem to be two options: either lawmakers negotiate and renew the tribes' gaming agreements -- or the voters of Arizona do.

At the time of publication, it was unclear which of those two things would happen, although the legislature was expected to tackle the matter in January. In that state of suspension, the tribes decided to prepare for both scenarios.

The TV messages that began in the fall reportedly show tribal elders in a desert setting, with a voice-over describing the benefits of tribal gaming. The bulk mailing contains a pamphlet boasting that tribal casinos have created 14,000 jobs and \$460 million in annual economic activity for the state. It also invites recipients to join a group called Arizonans for Fair Gaming and Indian Self-Reliance.

In both cases, the call to action seems tentative, but the appeal for support and understanding is clear.

Is there a real benefit to this sort of feel-good campaign? There are a couple of ways to look at that question:

On one hand, positive spin is never a bad thing. Even if voters never need to take action to preserve tribal casinos, the coalition is spreading lots of positive messages: tribal welfare, revenue, jobs, entertainment. And every individual who signs up with Arizonans for Fair Gaming and Indian Self-Reliance joins a database of future political supporters and marketing targets.

On the other hand, timing is important. Hitting hard now brings the issue to the forefront of public discourse, making it more likely that the legislature will decide to act. And is that something the tribes really want? Historically, negotiations between state governments and tribes do not go well. In New Mexico, tribes are still fighting the 16 percent fees on slot machine revenue levied by that state's legislature.

Perhaps the lawmakers and tribes of Arizona could come to more agreeable terms. But if the tribes decide they'd rather pursue the matter at the ballot booth -- which would allow them to write their own compacts -- it could be a mistake to encourage legislative action.

Cost should also be considered. According to David La Sarte, executive director of the AIGA, the media campaign has been funded by money "reluctantly" diverted from education, health care and infrastructure. In a Nov. 14 Arizona Republic article, La Sarte was quoted as defending the expenditure as a crucial investment in the tribes' future.

He has a point. On the other hand, not all tribal members will be so forward-thinking. The prospect of taking funds from health and education creates the potential for internal strife. If this campaign does turn into a lengthy ballot battle, current expenditure levels will have to stretch for many more months.

The AIGA's decision to launch a high-profile campaign at this point isn't inherently foolish -- but it might not be crucial, either. An ongoing, sophisticated PR campaign is smart for any gaming group, whether its immediate future is in jeopardy or not. But it's probably prudent to save the big guns for the fiercest fights.

Parallel to their outreach projects, the tribes need to coalesce on the issue of legislation vs. initiative, and define realistic expectations for future compacts.

The unfortunate footnote to this story could be the fate of Arizona's tracks. Though the tracks started the current commotion by filing suit, they might not get what they want -- removing slots from tribal casinos or authorizing slot machines to keep the tracks afloat -- under any circumstance.

The two values promoted in the AIGA's support organization are self-reliance and fairness. Hopefully, the next generation of gaming compacts will be fair to all concerned: tribes, citizens and tracks.

Nancy Todd Tyner is an international political consultant specializing in the gaming industry. Her firm, Nancy Todd, Inc., is located in Las Vegas, Nevada. She can be reached at 702-845-1265 or at www.NancyTodd.com.