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Tsi Nahóten Karihwanákere No'nenk News Release

Mohawk Council of Kahnawà:ke responds to Québec's announcement that Loto-Québec will develop online gaming

For immediate release

(Kahnawake – 5, Enníska/February) On Wednesday February 3, 2010 the Québec Minister of Finance, Raymond Bachand, announced that the government of Québec has authorized Loto-Québec to offer online gaming and games of chance. The Minister's press release, as well as comments attributed to him in the media, seem to imply that the Loto-Québec initiative will negatively impact Kahnawà:ke and the initiatives it has taken in the online gaming industry over the past 12 years.

Minister Bachand either does not understand how the online gaming industry works – or is simply using the opportunity to take a gratuitous swipe at Kahnawà:ke for his own political reasons.

Loto-Québec has been authorized to “offer online gambling” and will therefore become another online gaming operator offering casino, poker and other games of chance. Loto-Québec will therefore be competing with other established online gaming operators such as: PokerStars, Party Gaming, Full Tilt Poker and Ultimate Bet. Many of these operators are licensed by and operate from jurisdictions such as Isle of Man, Gibraltar and Alderney. Even for those online gaming operators that are licensed by and operate from Kahnawà:ke, it is difficult to understand how Loto-Québec's late and limited entry into the market will negatively affect – let alone “cannibalize” – these sites.

Kahnawà:ke does not, and has never, “offered online gambling”. Since 1999, Kahnawà:ke has **hosted** online gaming operators through its world-class internet service provider and data center – Mohawk Internet Technologies and has **regulated** third party online gaming operators through the Kahnawà:ke Gaming Commission.

It is also worth noting that Québec has made the decision to be both an online gaming operator and a regulator – through its Régie des alcools, des courses et des jeux. This environment of “self-regulation” is a position that Kahnawà:ke, and most other jurisdictions in the world, have avoided – to maintain transparency, fairness and integrity to all players.

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In short, Loto-Québec will not be competing with Kahnawà:ke but with many other large, well-established and well-known gaming operators – many of which operate in other jurisdictions. Bon chance.

It is disappointing to note that Québec fails to understand, or deliberately ignores, the opportunities for synergy between Loto-Québec and Kahnawà:ke. Loto-Québec's online gambling operation could be hosted from Mohawk Internet Technologies. The Régie could work with the Kahnawà:ke Gaming Commission to harmonize their regulations concerning online gaming.

To take such an approach would be consistent with the pledges that Québec made to Kahnawà:ke in the "Statement of Understanding and Mutual Respect" dated October 15, 1998, which stated, in part: "Kahnawà:ke and Québec further agree to participate as partners in some of Kahnawà:ke's economic development ventures. Québec also agrees to develop financial and fiscal arrangements that would provide for Kahnawà:ke's long term economic stability". As well, in June of 2009, a "Statement of Understanding and Mutual Respect" was agreed to between Premier Charest and Grand Chief Michael Ahrihron Delisle Jr., designed to improve intergovernmental relations and establish economic partnerships between Kahnawà:ke and Quebec.

Over the past 12 years, Kahnawà:ke's participation in the online gaming industry has generated more employment, highly skilled training opportunities, fiscal advantages and positive global recognition than any other economic development venture in Kahnawà:ke's history. Now that Québec has decided to "legalize" online gaming for its purposes, it has a perfect opportunity to "participate as partners" with Kahnawà:ke to advance this developing industry. Instead, Québec has chosen to continue its implicit demonization of Kahnawà:ke. This is truly disappointing and, unless Québec reconsiders its position, will certainly color the relations that Kahnawà:ke and Québec seek to maintain in other areas.

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