

Associated Press

ALBANY, N.Y. — The proposed Native American casino in New York's storied Catskills that seeks approval through a novel legal approach faces mounting opposition among federal regulators, according to two officials close to the talks.

"The Department of the Interior has a very dim view of the untested legal

underpinnings of the casino and land settlement," an official close to the negotiations told The Associated Press. The official spoke on the condition of anonymity because of the sensitivity of the internal discussions.

A recent internal letter from a tribal lawyer said approval appeared highly unlikely, according to the official who spoke on the condition of anonymity because of the sensitivity of the internal discussions. The letter was first reported by The New York Times and Times Herald-Record of Middletown.

A second official under the same condition says there is strong federal opposition to the project by the Stockbridge-Munsee Band of Mohican Indians.

The tribe said Thursday night that it hasn't been informed of a decision. It had no further comment on the chances of its effort to build and operate a casino that could compete with Atlantic City and Connecticut casinos in a deal sealed in the closing days of Gov. David Paterson's administration. The Democrat had seen the casino as a way to boost the economically depressed Catskills while creating a source of jobs and much-needed revenue to the state government mired in fiscal crisis.

The deal is designed to settle a decades-old land claim by the Stockbridge-Munsee Band of Mohicans in central New York's Madison County comes in exchange for state support of a tribal casino about 100 miles northwest of New York City.

The Interior Department could act as soon as Feb. 17, or take no action. That would be considered tacit approval but could force the project to go to Congress for approval, which the Stockbridge-Munsee Bank of Mohicans hoped to avoid.

"Unlike the Oneida Indian Nation, which has been here since time immemorial, the Stockbridge-Munsee of Wisconsin have no historical claims to land in this state," the Oneida Nation said Thursday. "They have no more claim to land in New York than does a guest at a hotel."

In January, the Seneca Nation Indians asked federal officials to reject the project.

Seneca President Robert Odawi Porter recently wrote a letter to U.S. Secretary of the Interior Ken Salazar saying the deal sought by the Stockbridge-Munsee Band of Mohicans would be bad public policy and likely unlawful.

Paterson had seen the project as a casino and resort to compete with ones in Connecticut, New Jersey and Pennsylvania. Casino proponents in the Catskills hope it could bring back some of the prosperity of the Borscht Belt days in the height of the 1940s through 1960s when the Catskills attracted top celebrities and huge New York crowds at world-famous casinos. The Stockbridge-Munsee have sought a different route to gain approval of its compact. It combined the casino deal with the land-claim settlement. Paterson's administration said that under the deal, the tribe will end its claim to 23,000 acres in Madison County, while getting 330 acres in Sullivan County, where the tribe wants to build a casino.

____ Associated Press writer Michael Hill contributed to this report from Albany.

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