

1 COMMISSIONER DOBSON: The Commission recommends that
2 states should conduct periodic reassessments of the various forms
3 of gambling permitted within their borders for the purpose of
4 determining whether the public interests will be better served by
5 limiting or eliminating one or more of those forms.

6 COMMISSIONER LEONE: I'd like to propose -- I'm sorry,
7 were you moving it?

8 COMMISSIONER WILHELM: That is a motion.

9 CHAIRPERSON JAMES: Is there a second?

10 COMMISSIONER BIBLE: I'll second it.

11 COMMISSIONER LEONE: I would like to propose two
12 amendments. In the first line, to be consistent with everything -
13 - the rest of our recommendations, I think it ought to say the
14 Commission recommends that states and tribal governments. In the
15 next to the last line, in order to have such reassessments, if
16 indeed they are conducted, to be conducted in the real world, I
17 think it ought to say it would be better served by eliminating or
18 expanding one or more of those forms because the state or tribal
19 government might go either way.

20 CHAIRPERSON JAMES: Would you accept those as friendly
21 amendments?

22 COMMISSIONER MOORE: Madam Chair?

23 CHAIRPERSON JAMES: Commissioner Moore?

24 COMMISSIONER MOORE: Various forms of gambling. What
25 do you mean? Like in Mississippi, would that be casino and you --
26 do you want to break everything up? Casino and Indian gaming? Is
27 that what would be considered in this?

28 COMMISSIONER LEONE: I think it might go beyond that to
29 whatever forms of gambling are expressed in that state or that

1 tribal area. Obviously it does include casinos.

2 COMMISSIONER LOESCHER: Madam Chair? I have some
3 observations to make about this motion. First of all, the states
4 are passing laws regarding gaming. I don't believe that there are
5 any states in America that have embarked upon the enactment of
6 laws on the basis of a sunset law, meaning that you enact a law,
7 you enable casino gambling, lotteries, or parimutuel, and you say
8 that it's going to expire seven or 10 years hence or is reviewed
9 seven or -- three, five, seven, 10 years hence.

10 What we're doing is recommending that there be a new
11 foundation for policy making in this regard. This looks like an
12 innocent proposal but it's not. People who are involving in
13 gaming, and we have seen this across America, put considerable
14 investment in gambling facilities and equipment and in their
15 operations, and people rely on the fact that there is a law so
16 that you can amortize these investments within a reliable
17 framework.

18 The other is people, many, many people, rely on these
19 operations for jobs, and if you're going to put people at risk on
20 periodic assessment of public policy, you're going to create some
21 uncertainty for people who are employed. So Madam Chair, the
22 language served by eliminating or expanding probably should have
23 language like continuing or eliminating, expanding. But on the
24 whole, I really believe that this motion connotates a lot more in
25 terms of public policy change in how these activities are going to
26 be viewed. It's more than what it looks here, this simple motion
27 as it's stated here. So I'd be opposed to this motion.

28 CHAIRPERSON JAMES: Call for the question. Jim, would
29 you read it as it exists right now so we can be clear? There were

1 to edits.

2 COMMISSIONER DOBSON: I got one of the edits, but I
3 didn't get the other one down.

4 COMMISSIONER WILHELM: The Commission recommends that
5 states and tribal governments conduct periodic reassessments of
6 the various forms of gambling permitted within their borders for
7 the purpose of determining whether the public interests would be
8 better served by eliminated -- excuse me, by limiting,
9 eliminating, or expanding one or more of those forms.

10 CHAIRPERSON JAMES: All in favor? Opposed?

11 COMMISSIONER BIBLE: Nay.

12 COMMISSIONER LANNI: Abstain on the procedural ground.

13 COMMISSIONER McCARTHY: Madam Chair, what is your
14 desire here? There are several new recommendations here that do
15 indeed consolidate a long list of recommendations you assigned to
16 the research subcommittee. Are we going to take these up with the
17 rest of the recommendations? There are a number of amendments
18 that I intend to propose to some of the recommendations that have
19 already been considered. How do you wish to go about that?

20 CHAIRPERSON JAMES: What I want to do is to finish up
21 all the recommendations before we get into the text of the
22 document, and as far as I know, there are several outstanding
23 issues. One are research issues, and the other are that, Terry,
24 you had some suggested edits to several of the recommendations.

25 COMMISSIONER McCARTHY: I should pass out any
26 amendments to Chapter 8 recommendations to members?

27 CHAIRPERSON JAMES: No. Let's do Terry's and then I'll
28 call on you, and you can distribute them and we'll take them up.

29 COMMISSIONER WILHELM: I'm sorry. For clarification,

1 Leo, are you saying that separate and apart from the things the
2 research subcommittee did with all of those 8.17 through 8.9000,
3 whatever it was, are you saying separate and apart from that you
4 have other recommendations to -- I'm sorry, other amendments to
5 recommendations we've already passed that we haven't seen yet?

6 COMMISSIONER McCARTHY: You recall my mentioning
7 downstairs that the staff clipped several paragraphs from these
8 three of my recommendations last week, so the Commission didn't
9 have those in front of them. There are several that I gave to Mr.
10 Lanni that he's considering but we haven't had an opportunity to
11 talk about. Frankly I thought this was all coming up tomorrow.

12 COMMISSIONER WILHELM: Just for the record, I was about
13 to make a motion, and I discussed this briefly with Commissioner
14 Leone, and I'm not now going to make. I was about to make a
15 motion to say that we should be done with recommendations after
16 the research subcommittee report, however since this is apparently
17 open season, I don't want to make that because I may find
18 something this afternoon or tomorrow that I find enthralling and
19 necessary and impossible to proceed forward without. So I'm not
20 going to make a motion like that.

21 CHAIRPERSON JAMES: I certainly would have been happy
22 to receive such a motion. Having said that, if we could get to
23 that point by having this come up tomorrow, I would certainly
24 table it so that we have one final recommendation from the
25 research subcommittee that incorporates all of that. Leo, have
26 you discussed your edits with the other members of the research
27 subcommittee? Could I ask you all to do that so you could come to
28 us with one unanimous package?

29 COMMISSIONER McCARTHY: Sure, I'd be happy to.

1 CHAIRPERSON JAMES: John, did you hear what I just said
2 on that one?

3 COMMISSIONER WILHELM: No, I didn't, I'm sorry.

4 CHAIRPERSON JAMES: That's okay. That's all right. My
5 recommendation to Leo was that we do table all of the research
6 stuff until tomorrow, and what I would prefer happening is that
7 you come to the table with one unanimous recommendation that all
8 of the members of the research subcommittee have signed off on and
9 we have one package that we can take a look at. But I think that
10 would be more helpful, and I asked that Leo brief the members of
11 the research subcommittee on his additional edits or changes, and
12 that you all review those and come to the full Commission with one
13 set of recommendations, not individual --

14 COMMISSIONER McCARTHY: No amendments.

15 CHAIRPERSON JAMES: No amendments. You all just come
16 with one. Having said that, Terry, you had some suggested edits?

17 COMMISSIONER LANNI: I don't have them with me.

18 CHAIRPERSON JAMES: Tim, where will commissioners find
19 that?

20 DR. KELLY: Do these have to do with recommendations,
21 Terry?

22 CHAIRPERSON JAMES: Yes, they do. Any other work other
23 than research, which is going to be tabled until tomorrow? Any
24 other discussions points, edits, things to be considered on
25 recommendations? If not, what I'd like to do is to move to the
26 new recommendations that commissioners are bringing forward. I
27 think you had two, is that right, Dick?

28 COMMISSIONER LEONE: Since most of one of them is
29 actually language, I think in the interests of moving us along, I

1 won't propose these as recommendations. The other one is
2 partially covered by some existing language.

3 CHAIRPERSON JAMES: That works for me. Commissioner
4 Dobson, I think you had two new recommendations, is that the case?

5 COMMISSIONER DOBSON: I think it's what we just talked
6 about.

7 CHAIRPERSON JAMES: That was it? You didn't have any
8 other additional? Is there anything else? This is it, folks.
9 Any other? Otherwise, as far as I'm concerned, the only things
10 that are left to come for discussion are research, and we will do
11 that tomorrow with hopefully a unanimous recommendation from the
12 research subcommittee.

13 COMMISSIONER McCARTHY: I would necessarily need to
14 reserve the right, in view of what's happened here, to have some
15 startling insight that I would make a motion about.

16 CHAIRPERSON JAMES: You will always have that right,
17 John.

18 COMMISSIONER McCARTHY: Did I understand what you just
19 said, Madam Chair, to say we're not considering any text changes?

20 CHAIRPERSON JAMES: No.

21 COMMISSIONER LOESCHER: Recommendations.

22 COMMISSIONER McCARTHY: We're only talking about
23 recommendations?

24 CHAIRPERSON JAMES: Work with me here.
25 Recommendations.

26 COMMISSIONER McCARTHY: Thank you. There are some.
27 There were a couple of recommendations that I gave to the staff
28 earlier that I haven't heard --

29 CHAIRPERSON JAMES: My understanding is that they were

1 research related recommendations. They were not research?

2 COMMISSIONER McCARTHY: Recommendations I gave to Mr.
3 Kelly a couple of hours ago dealing with Chapters 4, 5 and 7.

4 CHAIRPERSON JAMES: Dr. Kelly, where are the
5 recommendations from Mr. McCarthy on Chapters 4, 5 and 7? Have
6 they been distributed? He said he gave them to you a couple of
7 hours ago.

8 DR. KELLY: They're just coming up to the table over
9 here.

10 COMMISSIONER McCARTHY: I gave you a dozen copies.

11 DR. KELLY: Unless I'm misunderstanding, it's what you
12 gave us this morning?

13 COMMISSIONER McCARTHY: Yes.

14 DR. KELLY: Yes. We wanted to break them down chapter-
15 by-chapter rather than commissioner-by-commissioner. So we've
16 pulled all of the chapter.

17 CHAIRPERSON JAMES: What are they? Are they edits, or
18 are they recommendations? Leo, were they recommendations or were
19 they edits to the document?

20 COMMISSIONER McCARTHY: The only recommendation -- yes,
21 there were two recommendations. Actually it's a number of
22 changes.

23 CHAIRPERSON JAMES: This is a real simple question.
24 Are they edits to recommendations, are they edits to the text of
25 the document?

26 COMMISSIONER McCARTHY: It's a numbering change in the
27 recommendations of Chapter 4, where Mr. Loescher's recommendation
28 interrupted the sequence of recommendations that the Commission
29 adopted. I simply changed for a little logic the number of those.

1 CHAIRPERSON JAMES: Then Commissioner --

2 COMMISSIONER McCARTHY: It shouldn't be a problem.

3 DR. KELLY: We will incorporate that.

4 COMMISSIONER McCARTHY: Other than that, I don't --
5 there are other -- the only other recommendation, there's one in
6 the internet that we discussed.

7 CHAIRPERSON JAMES: It's coming around now. Do you
8 have that in front of you now? Commissioner McCarthy, would you
9 like to explain your recommendation and offer it as a motion?

10 COMMISSIONER McCARTHY: I certainly can. Should we
11 give the rest a chance to review it?

12 CHAIRPERSON JAMES: Certainly. And you're offering
13 this as additional language, not as substitute language for
14 recommendation?

15 COMMISSIONER McCARTHY: Yes, that is correct. This is
16 not revising any existing recommendation. This is an additional
17 recommendation. The point of it was that since the last
18 Commission meeting we received information that the Congress had
19 added several other exceptions to the statute intended to prohibit
20 internet gambling, and the intent in this language is to make sure
21 that what the Commission is recommending is that if we are going
22 to try to prohibit internet gambling, that we go about it in a
23 serious way, including those named here, internet service
24 providers, which I understand are now exempted under the law, and
25 the other entities that are listed there.

26 I suspect that if I knew that there were going to be 20
27 or more exemptions in the Kyle bill, I might have favored taking
28 the regulatory scheme approach instead of the prohibitory scheme
29 approach to this. We're reaching the point where there will be so

1 many exemptions that it will be -- it's already an extraordinarily
2 complex and difficult task to prohibit gambling on the internet.
3 If you add a number of exemptions, you're making it an impossible
4 task.

5 CHAIRPERSON JAMES: Have Commissioners had the
6 opportunity to read this?

7 COMMISSIONER WILHELM: Excuse me. I want to be sure
8 I'm understanding what's being proposed here. This is in fact,
9 correct me if I'm wrong, Leo, a substitute for the recommendation
10 that was already passed known as 5.1?

11 COMMISSIONER McCARTHY: That's correct. That would be
12 correct.

13 COMMISSIONER WILHELM: It sure as heck reads like that.
14 Again, I would object solely on the procedural ground, and for
15 that reason I would abstain, as I said before about all these late
16 coming recommendations.

17 CHAIRPERSON JAMES: Right now we haven't had a second.

18 COMMISSIONER DOBSON: I'll second.

19 CHAIRPERSON JAMES: It has been seconded. Discussion.

20 COMMISSIONER BIBLE: What Commissioner McCarthy had
21 proposed and I will support it, the motion, is that the Kyle bill
22 would contain no exceptions or exemptions from the prohibition of
23 internet wagering, and in fact it would be tightened up to remove
24 those exemptions.

25 COMMISSIONER LANNI: May I make a brief comment?

26 CHAIRPERSON JAMES: Certainly.

27 COMMISSIONER LANNI: I guess some of us aren't familiar
28 with how Congress works. I mean, you're going to have continuing
29 negotiations, compromises, modifications, exceptions. That's how

1 bills are created into law. Whether we like it or not, I think
2 it's safe to say we can make a recommendation right now that they
3 stop amending the Kyle bill, all I can say is good luck. It's not
4 going to happen if you ever want it to pass.

5 COMMISSIONER McCARTHY: I have a little familiarity
6 with how legislative bodies work.

7 COMMISSIONER LANNI: Not in a federal level.

8 COMMISSIONER McCARTHY: They're pretty much the same.

9 COMMISSIONER LANNI: The operative term there is pretty
10 much.

11 COMMISSIONER McCARTHY: So I think it's the
12 Commission's responsibility to state what we think should exist in
13 the law. The discussion, the deliberation over these competing
14 bills in the House and the Senate, will go on for some time. It
15 may -- either may or may not be enacted this year or next year, so
16 I think the Commission's opinion is -- you'll recall that the
17 Attorney General's office, the US Attorney General's office, in
18 its testimony a year ago suggested it really didn't want to take a
19 position until this commission spoke on the issue, so I would not
20 assume that because we're familiar with the usual ways that
21 congressional or state legislative houses work, that our opinion
22 wouldn't have any weight.

23 COMMISSIONER LANNI: I don't dispute that. For the
24 record, we have taken our position. We did it at the meeting in
25 Washington, DC. I, too, will abstain from this.

26 COMMISSIONER WILHELM: Can I ask two other questions
27 about this?

28 CHAIRPERSON JAMES: Certainly.

29 COMMISSIONER WILHELM: First, was it intended that this

1 would replace not only 5.1 but also 5.2 and 5.5, subjects which
2 this appears to be intended to possibly address?

3 COMMISSIONER McCARTHY: No. I think Mr. Bible is
4 correct.

5 COMMISSIONER BIBLE: This would replace 5.1.

6 COMMISSIONER LOESCHER: Madam Chair, there seems to be
7 two ideas into this new language. The first sentence seems to be
8 broad-sweeping, and then the second sentence deals with credit
9 cards and money transfers and all that business which 5.1 speaks
10 to now. What's the intent here? Is it a broad brush dealing with
11 these new exemptions? If so, then maybe it ought to have a
12 separate paragraph. What's the purpose here?

13 COMMISSIONER McCARTHY: It speaks for itself. It's an
14 attempt to not exempt a number of entities that are an integral
15 parts of international or Internet transactions.

16 COMMISSIONER LOESCHER: Madam Chair, then I need to get
17 back to the same colloquy I had with Mr. Bible before, last time
18 around, that this doesn't effect --

19 COMMISSIONER BIBLE: We have a specific recommendation
20 that would allow the bingo to be operated as it currently is in
21 telephonic communications. We link site-to-site. It would not be
22 able to offer via the internet to players.

23 COMMISSIONER LOESCHER: Madam Chair, the broad sweeping
24 language would not supplant that?

25 COMMISSIONER BIBLE: I don't believe so.

26 COMMISSIONER LOESCHER: Thank you.

27 COMMISSIONER WILHELM: One of the questions of intent,
28 5.1 as it was already passed by the commission includes the
29 following sentence at the end: Because it crosses state lines (it

1 meaning the internet) it is difficult for states to adequately
2 monitor and regulate such gambling. Was it intentional to omit
3 that sentence?

4 COMMISSIONER McCARTHY: No. I have no reluctance to
5 adding that sentence.

6 CHAIRPERSON JAMES: Are you offering that as an
7 amendment to the motion?

8 COMMISSIONER WILHELM: Yes.

9 CHAIRPERSON JAMES: Are you ready for the question?
10 Further discussion? Leo, would you read that as it exists with
11 the amended language?

12 COMMISSIONER McCARTHY: Amended language? The only
13 amendment I heard was the sentence added at the end that John
14 Wilhelm just mentioned. So it's the language I've got there, and
15 add to that because it crosses states lines, it is difficult for
16 states to adequately monitor and regulate such gambling.

17 CHAIRPERSON JAMES: It has been moved and seconded, and
18 you accepted that as a friendly amendment. All in favor?
19 Opposed? Any abstentions?

20 COMMISSIONER DOBSON: Abstain.

21 COMMISSIONER LANNI: Abstain.

22 COMMISSIONER LOESCHER: Abstain.

23 CHAIRPERSON JAMES: So that's three abstentions. Terry,
24 are you ready for your four edits?

25 COMMISSIONER LANNI: I am. Maybe five. On 3.1, three
26 of mine have to do with the aspect that I think when you look at
27 all of the recommendations, we leave the through process of
28 comments to the text rather than to the recommendations. If you
29 open your book to 3.1, the machine, I've just been told, is

1 broken, the copy machine. It's 3.1 in your recommendations.

2 CHAIRPERSON JAMES: Are you there? Page two, Terry?

3 COMMISSIONER LANNI: The first, 3.15 is the first one
4 we need to look at. It's in tab 20. These are the
5 recommendations. In 3.15 as I recall it of the second line is
6 that we ask organizations voluntarily adopt rather than adopt.
7 That the way I remember that particular subject.

8 CHAIRPERSON JAMES: Mine says voluntarily adopt.

9 COMMISSIONER LANNI: It's been corrected. The copy
10 that I have didn't have voluntarily in it.

11 CHAIRPERSON JAMES: Mine does, so somebody produced one
12 that has voluntarily in it.

13 COMMISSIONER LANNI: That's the way I recall it.

14 COMMISSIONER LOESCHER: The confusion may be that
15 there's two different sets of recommendations behind tab 20. The
16 very last set is the one that we've supposedly adopted. The set
17 right before that tab 20 are all of the ones that were ever
18 submitted. That group does say voluntarily.

19 CHAIRPERSON JAMES: It should be in there.

20 COMMISSIONER LOESCHER: Madam Chair, it's the last set
21 of recommendations.

22 CHAIRPERSON JAMES: Right.

23 COMMISSIONER LANNI: Can we move on to 4.19? Again, I
24 think here when you get down to the findings, to me, belong in the
25 text where it begins the absence of. The very last line under
26 4.19(2) where it begins the absence of such efforts will present
27 costly consequences to families, communities, others associated
28 and effected by problem gamblers. I have no problem with that
29 statement, but I think it should be in the text, not in the

1 recommendations.

2 COMMISSIONER McCARTHY: Your suggesting is to remove
3 that and put it into the text?

4 COMMISSIONER LANNI: Into the text.

5 COMMISSIONER McCARTHY: As the author of that language,
6 I don't have a problem.

7 COMMISSIONER LANNI: Thank you.

8 CHAIRPERSON JAMES: I don't think we need a vote on
9 that.

10 COMMISSIONER LANNI: Do you have 5.1? We have a new
11 5.1, so you're right, we don't need to do that. The last one is
12 8.15. That's gone, deleted because it was redundant. It must
13 have been deleted. Was that an inadvertent omission?

14 DR. KELLY: That was an inadvertent omission. It was
15 put back in the supplementary materials that we sent out on the
16 28th, so you probably do need to -- then we also need to renumber
17 because 8.15 doesn't exist.

18 COMMISSIONER LANNI: I think it's redundant because
19 it's with 4.19. If you read 4.19 I think you'll find 8.15 is
20 redundant.

21 COMMISSIONER McCARTHY: Madam Chair?

22 CHAIRPERSON JAMES: Commissioner McCarthy.

23 COMMISSIONER McCARTHY: The two sections cited by Terry
24 are two different things. This is purely a research
25 recommendation. The first is requesting the state to enact a
26 statute, or if they already have a statutory authority, by
27 administrative regulation, add those half-dozen items as
28 conditions of licensure. Each state may do one, or the other, or
29 neither. So there's no reason to drop the research recommendation

1 because some states may want to do the research and not do the
2 other.

3 COMMISSIONER WILHELM: Leo, I think that's a point well
4 taken, however since 8.15 is, as you just said, a research
5 recommendation, it would appear to me that the subjects of public
6 awareness, education, prevention, and treatment ought not be in
7 here since this is a research recommendation. Is that right?

8 COMMISSIONER McCARTHY: No. We're on -- what Terry is
9 suggesting to drop is in the research chapter.

10 COMMISSIONER WILHELM: I understand that. My point is
11 that if it is to be, as you recommend, retained because it is a
12 research recommendation, then shouldn't it say that they should
13 authorize and fund research and not say authorize and fund public
14 awareness, education, prevention, and treatment programs, if
15 indeed this is a research recommendation?

16 COMMISSIONER LEONE: That is in 4.19.

17 COMMISSIONER McCARTHY: That's in there.

18 COMMISSIONER LEONE: John Wilhelm is correct.

19 COMMISSIONER WILHELM: So it would say fund research
20 programs for those, etcetera.

21 CHAIRPERSON JAMES: Would you all restate that so that
22 we can be sure you got it?

23 COMMISSIONER WILHELM: Yes. In 8.15, the Commission
24 recommends to the governor, state legislature, and regulatory
25 bodies of each state that they should authorize and fund research
26 programs for those who are or are likely to become problem or
27 pathological gamblers in their resident population.

28 CHAIRPERSON JAMES: We'll just do that by acclamation.

29 I don't think there's any --

1 COMMISSIONER WILHELM: Leo, may I ask a blanket
2 question that I should have asked in our last meeting about that
3 many of these research recommendations that we've already adopted,
4 some of them address tribal governments along with state
5 governments and some do not. Shouldn't we conform all of them to
6 address tribal governments?

7 COMMISSIONER McCARTHY: Yes, we should.

8 COMMISSIONER WILHELM: Perhaps the staff could see to
9 that if there's no objection.

10 CHAIRPERSON JAMES: Hearing none. It is my
11 understanding then that at this point we have now finished off all
12 of the recommendations except the research. Is that correct?
13 Edits to recommendations, new recommendations?

14 COMMISSIONER WILHELM: Baring bolts of insight.

15 CHAIRPERSON JAMES: Baring bolts of insight. And they
16 better be good ones, too. Baring that, that's done. What I'd
17 like to do at this point, if there is no objection, is to go ahead
18 and take a lunch break, and when we come back we will go
19 immediately to the text. We will take up the research tomorrow.
20 I would ask that the research subcommittee meet and that you come
21 to us with one package that we can take a look at tomorrow.
22 Commissioner McCarthy?

23 COMMISSIONER McCARTHY: Madam Chair, if we have
24 finished our work and come to you with research recommendations --

25 CHAIRPERSON JAMES: Sooner, so be it.

26 COMMISSIONER McCARTHY: -- by late this afternoon, is
27 that acceptable?

28 CHAIRPERSON JAMES: Absolutely. The sooner the better.
29 Let me ask Commissioners to do this. You have in front of you

1 those substantive edits that were sent to the Commission ahead of
2 time. There have been additional ones that have come in. I would
3 ask you not to leave for lunch until you have all of the
4 substantive edits from the staff so that you can review them at
5 lunch and that will speed up our work.

6 COMMISSIONER MCCARTHY: Madam Chair, do we have one for
7 executive?

8 COMMISSIONER WILHELM: Madam Chair, in terms of your
9 request to the commissioners to try to review and absorb these
10 things, there's a number of the chapter proposed edits that were
11 passed out this morning that contain in some cases duplicative
12 material that are edits about the convenience gambling stuff. It
13 seems to me that in the -- and I recognize why the staff tried to
14 order these by chapters, it makes perfect sense and I don't
15 quarrel with that, but I think that by dividing it up, it may be
16 even harder to understand what I was trying to get at than
17 necessary, and it is hard to understand what I was trying to get
18 at any way in terms of following the text.

19 CHAIRPERSON JAMES: So you would prefer to take yours
20 in total?

21 COMMISSIONER WILHELM: Just for the edification of the
22 commissioners. I've asked Eric to pass out a document which I
23 just want to describe briefly because I've already made this
24 confusing enough. The document that I've asked Eric to pass out
25 is the document that we originally gave to the staff, and it has a
26 cover memo which is intended to be a little bit of a guidepost, if
27 you will. If I may, let me briefly state the overall objective of
28 this whole packet that's behind the cover memo.

29 CHAIRPERSON JAMES: Can I just, as a point of order,

1 just bring us back to order so that we can -- John, I think what
2 you're saying is important and we should all be listening.

3 COMMISSIONER WILHELM: Again, I've asked Eric to pass
4 out a cover -- a memo from me with all of this stuff, edits I'm
5 proposing related to convenience gambling behind it, and I think
6 it might be somewhat less difficult, I don't want to say easy, to
7 follow what I'm trying to do here, but if I may just try to
8 describe the intent.

9 As I believe the Commissioners know, I have been, along
10 with several other Commissioners, an advocate of the notion that
11 the report should reflect the dubious value of so-called
12 convenience gaming. In fact when we passed the recommendation on
13 this subject two weeks ago, somewhat to Jim's astonishment, I
14 proposed to make the recommendation on convenience gambling more
15 harsh, which the Commission sought fit to adopt.

16 So I want to emphasize that the package of edits that I
17 have suggested with respect to convenience gambling is in no way,
18 shape or form intended to dilute or weaken what we've done.
19 Rather, in reading the many different sections of the draft
20 chapters that address convenience gambling I found two problems.
21 One, it seemed to me that they were very duplicative and
22 fragmentary, distributed unnecessarily amongst a variety of
23 chapters. So I think they should be to the extent possible, and
24 it may not be totally possible, that the language about
25 convenience gambling should be put in one place.

26 In particular, I believe that by lumping the Internet,
27 and this is the principle structural point I'm trying to make
28 here, I believe that by lumping the internet and the convenience
29 gambling issue into one chapter called technology, that we are

1 confusing that chapter almost totally, and we are unnecessarily
2 detracting from the Commission's agreed upon focus on internet
3 gambling.

4 So I think that what's now called technology should be
5 called internet gambling and it should stand alone because it's
6 such an important topic for the future. And I believe the
7 convenience gambling stuff should be taken elsewhere, as I have
8 suggested, and consolidated. So that's one of the two purposes of
9 these edits.

10 The other one is that there's a great deal of just
11 factual misinformation in the drafts. As one example, the term
12 video lottery terminal is used in the drafts as though it were
13 interchangeable with other kinds of electronic devices, and it
14 isn't. A video lottery terminal is one highly specific form of
15 electronic gambling device operated by a limited number of state
16 lotteries. The term is used as though it's the same as slot
17 machine or video poker terminal or other electronic gambling
18 device.

19 So the two purposes of all of these edits again are not
20 to weaken what we've said about convenience gambling, not at all.

21 Rather to structurally move convenience gambling away from the
22 internet and retitle that chapter, and secondly, try to correct
23 what I believe is both duplication and inaccuracy with respect to
24 the drafts on that point. I know it's hard to follow, but I --

25 CHAIRPERSON JAMES: John, let me suggest this then.
26 That when we come back from lunch, because I think your's are sort
27 of over arching and go through several chapters, that we take that
28 up first. Then the reason that it's important for staff purposes
29 to go through one chapter at a time is because they literally are

1 going to leave and input the data, and we should have a final by
2 the end of the day. So if we take that first, that ought to take
3 care of that, and then we will start working through the document.

4 COMMISSIONER McCARTHY: John, I have just one question.
5 Were these -- was this whole revision the result of bolt?

6 COMMISSIONER WILHELM: Unlike some of the economic
7 issues, this is not something I'm passionate about. I just -- I
8 frankly don't want to be associated with something that has so
9 many inaccuracies and inconsistencies in it.

10 CHAIRPERSON JAMES: We will reconvene in one hour, and
11 again, I would ask Commissioners to organize, gather up all of the
12 documents, organize them so that we can go through them quickly.
13 Dr. Kelly?

14 DR. KELLY: Madam Chair, would it help to review what
15 was just handed out?

16 CHAIRPERSON JAMES: No.

17 (Whereupon, a luncheon recess was taken.)