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UNITED STATES OF AMERICA

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NATIONAL GAMBLING IMPACT STUDY COMMISSION

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FIFTH ON-SITE MEETING

+ + + + +

THURSDAY

SEPTEMBER 10, 1998

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BILOXI, MISSISSIPPI

+ + + + +

The Commission met at Rooms D4, 5 & 6, Mississippi Coast  
Coliseum, 2350 Beach Boulevard, Biloxi, Mississippi, at 8:00  
a.m., Kay C. James, Chair, presiding.

1 PRESENT:

2

3 MEMBERS OF THE COMMISSION PRESENT:

4 KAY C. JAMES, Chair

5 WILLIAM A. BIBLE

6 JAMES C. DOBSON

7 J. TERRENCE LANNI

8 RICHARD C. LEONE

9 ROBERT W. LOESCHER

10 LEO T. McCARTHY

11 PAUL H. MOORE

12 JOHN W. WILHELM

13 PAUL H. MOORE

14

15

16 COMMISSION STAFF PRESENT

17

18 TIMOTHY A. KELLY, Ph.D. Acting Executive Director

19 MARTHA CLEMENT ROBERTS Deputy Director

20 DOUGLAS SEAY Policy Director

21 KATHERINE SPILDE, Ph.D. Associate Report Writer

22 TIMOTHY BIDWILL, Esq. Special Assistant to the Chair

23 CRAIG STEVENS Logistics and Communications

24 Coordinator

25 JANET NEWKIRK Secretary

26 DEBBIE DU CRE' Receptionist

27 SOHEE PARK Intern

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1 P-R-O-C-E-E-D-I-N-G-S

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CHAIRMAN JAMES: I'd like to welcome you to the fifth on-site meeting of the National Gambling Impact Study Commission.

5

My name is Kay James, and on behalf of the Commission I'd like to call this meeting to order and declare that we do have a quorum to conduct today's business.

8

Since, for many of you, this is your first encounter with the work of the Commission, I would think it might be helpful just to give some background before we proceed with today's meeting.

10

11

12

Whether you are an invited speaker here to testify or a participant in the public comment period or a concerned citizen, your presence here today is vital to our work and important to the nation. The issue of gambling is a source of much public policy debate and it is an issue whose importance will increase exponentially in the coming years.

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At present, gambling is legal in one form or another in all but two states, and 38 states operate some type of lottery. Legalized gambling has grown into a \$550 billion a year industry. Understandably, many communities across America are seeking information about the social and economic impacts of legalized gambling.

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One sign of the increasing interest in this issue was the creation, indeed, of this commission. Another sign of the growing interest in this issue is the tremendous level of contact that the commission has had with nearly every sector of society and every sector of government.

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Lawmakers across the nation, as well as concerned citizens and community leaders, are looking forward to research

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1 findings that this commission will develop. The last  
2 comprehensive national study conducted by the Federal government  
3 on this particular issue occurred over two decades ago.

4 The Commission is now gathering the information to  
5 help policy makers understand the nature, scope and impact of  
6 legalized gambling. Congress created this commission in 1996 to  
7 conduct a comprehensive legal and factual study of the social and  
8 economic impacts of gambling in the United States on governments,  
9 communities, businesses, families and individuals.

10 The nine members of the commission were appointed by  
11 the President, the Speaker of the House and the Senate Majority  
12 Leader. Each member has shown a great dedication in our  
13 examination of the many issues surrounding legalized gambling.

14 Previously, we've conducted three meetings in  
15 Washington. We've also traveled to Atlantic City, Boston,  
16 Chicago, DelMar and Tempe to conduct on-site hearings. Tomorrow  
17 we will be in New Orleans. The Commission will then travel to  
18 Nevada in November.

19 These site visits will aid us in our main task which  
20 is the submission of a final report to the President, the  
21 Congress, state governors, Native American tribal governments and  
22 the rest of the nation in June 1999. That would be June 18,  
23 1999.

24 I should tell you that when the Commission developed  
25 its schedule of site visits we did not intend to visit every type  
26 of gambling establishment across the country. To do so would  
27 take us far longer than two years.

28 We recognize that there are important distinctions  
29 among and between the various types of casinos, betting parlors

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1 and lottery games. We recognize these differences and will  
2 continue to work to understand them but our principal task is to  
3 understand the social and economic impact of legalized gambling  
4 and that's why we've come to Biloxi today.

5 There's much to learn here. Spirited debate and  
6 differences of opinion are expected and indeed encouraged. We've  
7 invited experts from the Academy, the legal community, the  
8 gambling industry and business who have much to tell us, and  
9 often what they say will be subject to disagreement and further  
10 discussion.

11 We've invited government officials who can enlighten  
12 us about the variables that weigh heavily in public policy  
13 decisions. We've invited advocates for and against legalized  
14 gambling in order to get a full range of opinions. And we've  
15 invited citizens who have a compelling story to tell. Each  
16 person who will testify today has a viewpoint we want to hear and  
17 respectfully consider.

18 We've crafted topical panels to allow for a focused  
19 discussion. Our opening panel concerns gambling and the national  
20 economy. We will then look at gambling in economically depressed  
21 communities. We will hear from several local officials. And  
22 finally, after a staff briefing, we will look at gambling and  
23 crime.

24 Tomorrow in New Orleans, the Commission will consider  
25 the issue of pathological gambling, state regulation of the  
26 gaming industry and further testimony on gambling and crime.

27 As in the past, I'd like to thank each of my fellow  
28 commissioners for their commitment to the ideal of public service  
29 and their dedication to the work of this commission. Although

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1 there are many different perspectives represented on this  
2 commission, we are united in our goal of fulfilling the mandate  
3 set by Congress.

4 In particular, I'd like to thank Commissioner Leone  
5 for his suggestion of a panel on national economics and  
6 Commissioners Lanni and Dobson for their contributions regarding  
7 the issue of gambling and crime. I would also extend my  
8 appreciation to the rest of the commissioners for chairing and  
9 serving on our various subcommittees.

10 Finally, I'd like to recognize Dr. Moore for his  
11 suggestion of our meeting here in Biloxi. I would be remiss if I  
12 didn't give Dr. Moore full credit for our appearance here today  
13 and our exposure to gambling in Mississippi.

14 In our commission discussions, my responsibility as  
15 chairman is to protect the right of all sides to be heard. I  
16 would ask that each person participating today, including each  
17 member of the audience, be respectful, civil and fair to each and  
18 every person testifying.

19 As the dean of a graduate school of government, I  
20 teach our students that sound public policy involves the clash  
21 and the debate of ideas. This is the very hallmark of our shared  
22 American democratic tradition but we expect these views to be  
23 shared in an environment that secures the full measure of esteem,  
24 regard and consideration of each speaker. That's also a part of  
25 the American democratic tradition.

26 The Commission is here to listen and to learn. A  
27 review of our enabling legislation would clearly demonstrate that  
28 we were not created to either support or oppose the legal  
29 gambling industry in Mississippi or any other state.

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1 I sort of felt compelled to do that after reading  
2 yesterday that we were here to support the gaming industry in the  
3 State of Mississippi. That's not entirely accurate. As a matter  
4 of fact, it's not accurate at all. We are here to listen and to  
5 learn. We are here to study and to analyze.

6 Once again, the Commission is, indeed, very grateful  
7 for all of you who have taken time out of your busy schedules to  
8 be here and to come and to participate today.

9 I just wanted to ask Dr. Moore if he had any opening  
10 comments or anything he'd like to share with the Commission  
11 before we get started.

12 COMMISSIONER MOORE: Well, I'd like to say to the  
13 people of the Gulf Coast that, you know, to us that live here, I  
14 wanted the commissioners to be able to come and see it. I did  
15 want them to know that there was a Gulf Coast before gambling.

16 And it's for us to decide -- that's what the study is  
17 all about -- whether it's better or whether it's worse. That's  
18 what will come forth in June, I believe the 18th.

19 I want to thank each commissioner -- and you can see  
20 all are here -- and I want you to know that all are there in most  
21 meetings. This is a very dedicated group, and as I told a group  
22 on the coast several months ago, that this is a group of people  
23 that I think that you could be proud of.

24 It's a group of people that I would not mind acting  
25 as my jurors in any case. Even Clinton might like to have these  
26 people because I believe that they would be honest and  
27 forthcoming. And I just want to thank them for coming and I hope  
28 that you show them the southern hospitality that they are  
29 expecting. Thank you.

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1 CHAIRMAN JAMES: Thank you, Dr. Moore, and is Mrs.  
2 Moore here this morning?

3 COMMISSIONER MOORE: No, she is not here yet.

4 CHAIRMAN JAMES: Well, we do want to thank her for  
5 all that hard work in putting together that lovely dinner last  
6 night. It was very, very nice.

7 COMMISSIONER MOORE: Thank you.

8

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