

1 UNITED STATES OF AMERICA

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3 NATIONAL GAMBLING IMPACT STUDY COMMISSION

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5 COMMISSION MEETING

6 + + + + +

7 MONDAY

8 MAY 17, 1999

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10 The meeting took place in the Federal North Room,  
11 Holiday Inn on the Hill, 415 New Jersey Avenue, N.W., Washington,  
12 D.C., at 8:30 a.m., Kay C. James, Chair, presiding.

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15 PRESENT:

16 KAY C. JAMES, Chair  
17 WILLIAM A. BIBLE, Commissioner  
18 JAMES C. DOBSON, Commissioner  
19 J. TERENCE LANNI, Commissioner  
20 RICHARD C. LEONE, Commissioner  
21 ROBERT W. LOESCHER, Commissioner  
22 LEO T. McCARTHY, Commissioner  
23 PAUL H. MOORE, Commissioner  
24 JOHN W. WILHELM, Commissioner  
25 TIMOTHY A. KELLY, Ph.D., Executive Director  
26 KATE SPILDE, Staff  
27 DOUG SEAY, Staff

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1 CHAIR JAMES: Good morning. I'd like to call this  
2 meeting to order.

3 My name is Kay James, and I serve as the Chair of the  
4 National Gambling Impact Study Commission.

5 On behalf of my fellow Commissioners, I'd like to  
6 welcome our audience in this room for this morning and declare  
7 that we do have a quorum to conduct our business.

8 We would especially like to welcome our audience of  
9 viewers across the country watching these proceedings from either  
10 their home or their office.

11 The issue of legal gambling is an important public  
12 policy issue throughout America. Over the past several years,  
13 televisions and newspapers have recorded the considerable  
14 interest this issue is generating across the nation as citizens  
15 consider the debate and the expansion of gambling across their  
16 states and communities.

17 We appreciate the efforts of C-SPAN and CNN who have  
18 made it their business to provide coverage of this national  
19 dialogue and public policy process.

20 For those of you who are joining us for the first time,  
21 this Commission was created by Congress in 1996 to conduct a  
22 comprehensive legal and factual study of the social and economic  
23 impact of gambling in the United States on governments,  
24 communities, businesses and individuals.

25 In June of this year, close to one month from now, we  
26 will report our findings to the federal, state, and Native  
27 American tribal governments. The purpose of our meeting today  
28 and tomorrow is to discuss potential recommendations for our  
29 final report. These draft recommendations encompass a wide array  
30 of issues ranging from gambling regulation, gambling and

1 addiction, Native American tribal gambling, and future research  
2 needs.

3 The discussion you will watch will center on specific  
4 proposed recommendations and concepts developed by the  
5 Commission.

6 Previously the Commission has conducted several  
7 meetings in Washington, D.C., visited Atlantic City, Boston,  
8 Chicago, San Diego, Tempe, Biloxi, New Orleans, and Las Vegas.

9 During the course of our visits, we've heard from  
10 dozens of national experts and researchers who have provided us  
11 with critical insights and important information.

12 We have received testimony from industry executives,  
13 government experts, and nonprofit organization leaders on  
14 specific topics, such as lotteries, casino gambling, and  
15 regulation, Internet gambling, pathological gamblers, and  
16 treatment.

17 In light of highly important issues, such as  
18 federalism, the authority of states under the United States  
19 Constitution, and tribal government autonomy, we've actively  
20 sought input from government leaders. We have invited and hear  
21 from numerous federal and state elected officials, including  
22 governors, mayors, and local leaders.

23 To date we have received valuable testimony and written  
24 comments from dozens of state governors, attorney generals, and  
25 other officials.

26 Further, we have received important testimony from the  
27 National Governors Association and Native American tribal  
28 leaders.

29 Above all this, and perhaps most importantly, we have  
30 had the opportunity to hear from hundreds of our fellow citizens

1 whose lives and families have been shaped positively and  
2 negatively by the direct and indirect impacts of gambling.

3 Our study of this issue is very timely. Legalized  
4 gambling has grown nationally to a \$600 billion a year industry  
5 activity with net revenues of \$50 billion. The federal  
6 government last studied this issue in 1976 when gambling was  
7 legal in only a few states. Today gambling is legal in all but  
8 two states, and 37 states and the District of Columbia themselves  
9 operate some form of a lottery.

10 Gambling exists not only in destination resorts like  
11 Las Vegas, but in convenience stores, truck stops, on and near  
12 rivers, and in big cities and in small towns.

13 Many communities for different reasons are considering  
14 expanding into gambling activities. Each of the Commissioners  
15 has taken his job seriously and it is our hope that our work will  
16 be taken seriously as well.

17 But we are also realistic enough to realize the  
18 limitations of our work. There is a limit on what can be  
19 accomplished in two years, particularly when the existing  
20 research was so sparse. We committed half our budget,  
21 approximately \$2.5 million, for original research, but that can  
22 only be a start.

23 It is my goal that we conclude on time and on budget,  
24 and that we establish parameters for the ensuing national  
25 discussion. It is our hope that our work will lay the groundwork  
26 for future research by both the public and the private sectors so  
27 that policy makers can have ongoing updates of useful data from  
28 which to make decisions.

29 Now I would turn to the task before us at this  
30 particular meeting. Today the Commission will consider draft

1 recommendations for six sections of the final report. These  
2 sections include Section 3, regulating gambling; Section 4,  
3 gambling and addiction; Section 5, technology and the future of  
4 gambling; Section 6, Native American tribal gambling; and Section  
5 7, gambling's impact on people and places.

6 Tomorrow we will focus on draft recommendations under  
7 Section 8, future research.

8 In terms of content, the draft recommendation document  
9 prepared for this meeting was developed from multiple sources,  
10 including notes and transcripts from previous Commission meetings  
11 and report subcommittee meetings. Staff prepared language that  
12 attempted to round out concepts of apparent consensus, and this  
13 language is found in each section under the header "Potential  
14 Consensus Recommendation."

15 In this section, it's important to make the distinction  
16 that there is both a consensus concept and proposed consensus  
17 language. Specific language was used where it was available.

18 Consensus subcommittee recommendations appear under  
19 their own header in some sections. Individual Commissioner  
20 suggestions appear under the header "Recommendations from  
21 Individual Commissioners." Staff researched notes and  
22 Commissioner correspondence for these draft recommendations,  
23 along with the review of transcripts from the March and April  
24 meetings. Transcript cites are provided at the end of May of the  
25 proposed recommendations.

26 Each draft recommendation was put into a consistent  
27 format that begins with "the Commission recommends," followed by  
28 either the proposed or the specific language.

29 As I've previously indicated, this compilation may not  
30 be all inclusive, but I assure you that every effort was made by

1 staff to include recommendations and concepts forwarded or  
2 articulated since January of this year.

3 I fully respect the contributions each Commissioner has  
4 made to the report development process, and to assure fairness, I  
5 sought to include each potential recommendation in this document.

6 At a minimum, this document provides much greater  
7 detail on potential recommendations than we have had to date.

8 After reading through the document, I had several  
9 personal observations. First, many of the recommendations are  
10 quite similar. Some are worded better or more specifically than  
11 others. I would encourage Commissioners, if acceptable, to  
12 withdraw a draft recommendation if the Commission adopts a  
13 similar recommendation which accurately captures the same  
14 concept.

15 Second, several of the suggested draft recommendations  
16 are simply statements or commendations rather than actual  
17 recommendations. While these recommendations may reflect  
18 suggestions or opinions that have been expressed, I believe the  
19 Commission should eliminate them from consideration or they  
20 should be withdrawn, but they are included in the document for  
21 your consideration.

22 Third, a significant number of the recommendations are  
23 well suited for more than one section of the report. I would  
24 suggest that we use our time at this meeting to settle on which  
25 recommendations we have consensus on instead of where they will  
26 appear in the actual document.

27 We can come away from this with the actual  
28 recommendations we can then look at and then decide where they  
29 actually should fit.

1                  Fourth and finally, I fundamentally believe that the  
2 weight and impact of the Commission's final report will be far  
3 greater if there are far fewer overall recommendations. The  
4 total number of draft recommendations contained in Section 3  
5 through Section 8 total 198.

6                  Today we are presented with a total of 123 draft  
7 recommendations for Section 3 through Section 4. Due to the  
8 large volume of draft recommendations, we will need to work as  
9 efficiently as possible to move through each section.

10                I would encourage you to refer to the work sheets  
11 provided to you in advance to keep track of your comments and  
12 decisions on the draft recommendations.

13                In terms of process, I will begin to read each  
14 recommendation. I will then see if there is a motion to adopt  
15 and if there is, in fact, a second.

16                If there is no motion to the recommendation or if there  
17 is no second, the motion will fail, and we will move on to the  
18 next recommendation.

19                If a motion to adopt is made and seconded, then we will  
20 discuss the draft recommendation. Following discussion,  
21 Commissioners may move the question, and it will go to a vote.

22                I will reserve time at the conclusion of this meeting  
23 or tomorrow morning, depending on how many we have, to review any  
24 recommendations that are tabled for later discussion.

25                At this time, I'd like to request the cooperation of my  
26 fellow Commissioners and to thank them again for their hard work  
27 over the past many months and to thank them in advance for the  
28 tough job we have in front of us today.

29                If you would then please turn to the draft  
30 recommendations document, and we will begin our process. Unless

1 there are some opening comments or statements by any of our  
2 Commissioners, we'll get right to work.

3 Commissioner Wilhelm.

4 COMMISSIONER WILHELM: Good morning.

5 CHAIR JAMES: Good morning.

6 COMMISSIONER WILHELM: I apologize for coming in late.

7 I appreciate the tone and direction of your comments  
8 just now as well as your overall efforts. Notwithstanding the  
9 guidance that you've attempted to offer us, I'm a little puzzled  
10 by how it is we're going to proceed with these recommendations.  
11 I would have hoped that there would be far fewer of them, and I,  
12 frankly, think that it's puzzling to those among us who have only  
13 submitted a relatively small number of recommendations whether  
14 each such Commissioner should go back and submit another 50 or  
15 60.

16 No, I'm not being facetious. I think this is very  
17 difficult.

18 Secondly, each and every one of these, I think, bears  
19 discussion, and I don't understand how we're going to do that.

20 Third, there's a good many of these that I at least do  
21 not recall, and I certainly don't pretend to have total recall at  
22 all, but I at least do not recall where it is in our record that  
23 there's something to support this.

24 It seems to me, just as a matter of procedure, that it  
25 would be improper, or "inappropriate" would be a better word,  
26 inappropriate of us to adopt recommendations that sort of happen  
27 to be what different ones of us happen to think as distinguished  
28 from something on which we've built a record.

29 As I go through these large number of recommendations,  
30 I can think of many that have support or, in fact, that have

1 contradiction in our record, but many, many of them, I think,  
2 have no support in our record, and I don't quite know how to  
3 wrestle with that.

4 Finally, I would just echo what I believe is the wisdom  
5 of your comment, that in the cover memo that we would be better  
6 served in terms of hopefully having some impact, to coin a term,  
7 if we had a relative handful of recommendations that would  
8 address the primary areas that we are concerned about, and I  
9 wondered if either you or anyone else had some theory as to how  
10 we get from this hodgepodge to that, I think, rather laudable  
11 suggestion.

12 CHAIR JAMES: My recommendation, John, is that as we go  
13 through this process, there are many, as I said in my opening  
14 statement, that I don't even believe are, in fact,  
15 recommendations. They are more appropriately labeled comments or  
16 commendations, but in fairness to the staff and in terms of my  
17 job, any recommendation that came in from a Commissioner needs to  
18 be brought before the body, and we need to decide as a group what  
19 to do with it. That could not be a staff decision.

20 So I am hoping that as we go through this that those  
21 kinds of challenges can be made, can be discussed, and they can  
22 be dispensed with.

23 COMMISSIONER DOBSON: Madame Chair.

24 CHAIR JAMES: I agree. I would much prefer to face the  
25 day with 50 in front of us instead of 123.

26 Commissioner Dobson.

27 COMMISSIONER DOBSON: Madame Chair, I certainly agree  
28 that we should be as succinct as possible, and that we shouldn't  
29 fill the report with a lot of unnecessary comment, but I disagree

1 that we should, if that's what's being suggested, that we limit  
2 the things that we believe and the things that we've found.

3 It's been something on the order of 20 years since  
4 there's been a commission on gambling. It may be 20 more before  
5 this is looked at again in this same way, and it's a complex  
6 issue. We've all agreed with that, and I think it would be a big  
7 mistake to try to delimit what we're going to say if there are  
8 matters that this Commission feels strongly about.

9 So I'm not in favor of a tight delimitation on what  
10 we're here to say.

11 CHAIR JAMES: Commissioner Wilhelm?

12 COMMISSIONER WILHELM: In terms of recommendations that  
13 I personally have had an opportunity to work on, there are two  
14 areas here. One is the recommendations that emanated from the  
15 Indian Gambling Subcommittee, most or all of which have the  
16 unanimous support of the subcommittee, and the others are six  
17 that have to do with economic impact and jobs.

18 I started early today rather than waiting until noon  
19 with the word.

20 (Laughter.)

21 COMMISSIONER WILHELM: But I would want to -- and I  
22 don't say this with any desire to make things worse than they  
23 already are -- but with respect to the six that I submitted, I  
24 was attempting by my own limited standards to engage in  
25 restraint, and it's obvious that some other Commissioners have  
26 engaged in restraint here with respect to issues that they're  
27 vitally interested in.

28 So I would want to just say that if it appears as  
29 though we're not going to be able to somehow limit the number of  
30 things that we're trying to say here, than I would want to

1 reserve the right, and I'm sure other Commissioners might as  
2 well, to submit additional recommendations that I think are  
3 relevant if we're going to get into a lot of detail.

4 CHAIR JAMES: John, I would ask that you bear with us  
5 through the day. See how the process goes, and we may have to  
6 look at an additional process or something by the end of the day.  
7 Hopefully that won't be necessary.

8 COMMISSIONER WILHELM: I would comply with that  
9 request.

10 CHAIR JAMES: Any other discussion? Commissioner  
11 Lanni.

12 COMMISSIONER LANNI: Yes, Madame Chair. I think part  
13 of it, if I understood John's question directly, one of the  
14 concerns that I have is it may be that a majority of this  
15 Commission or maybe even on a unanimous basis the Commission  
16 might vote in favor of a proposal for which the evidence that has  
17 been gathered from either NORC or National Research Council or  
18 other bodies does not necessarily comport with that, and if we  
19 do, I think that needs to be explained why we would have reached  
20 a conclusion that was not supported by the evidence that has been  
21 gained from the research.

22 I think that was one of the points that John was  
23 raising.

24 CHAIR JAMES: I think that we will have the opportunity  
25 to raise those kinds of issues during the discussion period for  
26 each recommendation.

27 Any other comments before we get started?

28 (No response.)