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UNITED STATES OF AMERICA

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NATIONAL GAMBLING IMPACT STUDY COMMISSION

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COMMISSION MEETING

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MONDAY

MAY 17, 1999

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

PRESENT:

- KAY C. JAMES, Chair
- WILLIAM A. BIBLE, Commissioner
- JAMES C. DOBSON, Commissioner
- J. TERRENCE LANNI, Commissioner
- RICHARD C. LEONE, Commissioner
- ROBERT W. LOESCHER, Commissioner
- LEO T. McCARTHY, Commissioner
- PAUL H. MOORE, Commissioner
- JOHN W. WILHELM, Commissioner
- TIMOTHY A. KELLY, Ph.D., Executive Director
- KATE SPILDE, Staff
- DOUG SEAY, Staff

C-O-N-T-E-N-T-S

1		
2		
3		
4	Opening Comments.	3
5		
6	Regulating Gambling	13
7		
8	Gambling and Addiction.	181
9		
10	Technology and the Future of Gambling	194
11		
12	Native American Gambling.	212
13		
14	Gambling's Impact on People and Places.	282

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.)