

1 CHAIR JAMES: Okay, we're going to start this afternoon
2 -- and I hope everyone had a good lunch -- with future research
3 and then after we complete that we will then move into some other
4 areas looking at process and where we're going.

5 COMMISSIONER DOBSON: Madam Chair, will social impact
6 be dealt with today?

7 CHAIR JAMES: I'm sorry, that's what we did right
8 before lunch when we were looking at the impact on people and
9 places.

10 Jim, that was the chapter that John commented on and I
11 said please give me the opportunity since many Commissioners had
12 given input in writing to work through that. If you would like
13 to make comments on that before we move on, that's fine.

14 COMMISSIONER DOBSON: No, no. That's people and places
15 chapter, right?

16 CHAIR JAMES: Yes.

17 COMMISSIONER DOBSON: I'm talking about the social
18 impact of gambling.

19 CHAIR JAMES: That's in that chapter.

20 COMMISSIONER DOBSON: And you're going to hold that
21 whole thing?

22 CHAIR JAMES: That's correct.

23 COMMISSIONER DOBSON: Correct.

24 COMMISSIONER McCARTHY: Madam Chair, and members of the
25 Commission, would you please -- thanks -- you were given a second
26 draft, something labeled an additional draft language, a second
27 draft last night. If we could please work off that.

28 I'm not going to touch on a couple of obvious typos.
29 They'll be corrected.

1 I do have a couple of changes that I want to give you
2 that -- a couple of which are important. So before I begin to
3 talk about this, if you would please turn to page 6. I'm sorry,
4 bottom of page 5, the very last matter on that page, starting
5 with 15. Would you please strike 15 and then the top of page 6,
6 million or more American gamblers. Will you please strike that.

7 So the very last part of page 5, the word, the number
8 15, got that?

9 (Chatter.)

10 It's in my binder so presumably it's been put in
11 everyone's binder.

12 The second draft that I tried to identify a minute ago.

13 COMMISSIONER DOBSON: That's the same problem I had
14 yesterday.

15 COMMISSIONER McCARTHY: This is not complicated. Let
16 me help. Second draft. The one that says on it second draft,
17 April 27, 1999. It's in your binder.

18 (Chatter.)

19 COMMISSIONER BIBLE: It says additional draft
20 language.

21 COMMISSIONER McCARTHY: That's right. What's the date
22 on it?

23 COMMISSIONER BIBLE: 4/26/99.

24 COMMISSIONER McCARTHY: It says 4/26? We need a couple
25 of copies. A couple of members didn't get it.

26 (Chatter.)

27 CHAIR JAMES: April 27th.

28 (Chatter.)

29 COMMISSIONER McCARTHY: Who has April 27th, second
30 draft, April 27th.

1 CHAIR JAMES: I do.

2 COMMISSIONER McCARTHY: That's correct. Bob? Bill,
3 have you found it? Anybody else not, not --

4 (Chatter.)

5 CHAIR JAMES: I think all Commissioners do have it.
6 They just need a minute to find it.

7 (Chatter.)

8 COMMISSIONER McCARTHY: Okay, could you please turn to
9 page 5? See the very last item on that page? 15, the number 15.
10 Everybody got that? If you please strike that. Does everybody
11 have that?

12 EXECUTIVE DIRECTOR KELLY: There must be three versions
13 of this.

14 COMMISSIONER McCARTHY: Page 5. I'm on the April
15 27-28, second draft, April 27.

16 EXECUTIVE DIRECTOR KELLY: Draft, chapter and --

17 COMMISSIONER McCARTHY: Look to see if it says second
18 draft. Does it say second draft?

19 Second draft are the key words. Okay? Okay, is
20 everybody looking at a second draft.

21 CHAIR JAMES: We're there.

22 COMMISSIONER McCARTHY: Please turn to page 5 in that.
23 The very last item, the number 15, okay? Everybody looking at
24 the number 15? what do you want to bet?

25 Strike 15. Turn to the top of page 6 and please strike
26 the words "million or more American gamblers." Okay?

27 Now the only other thing we have to worry about is that
28 the reference to Schaeffer and NORC is reversed so that it
29 relates to the two numbers I used on the previous page on the
30 last line. 5.3 million to 5.8 million. Because the 5.3 million

1 is Schaeffer. The 5.8 million is NORC. Okay? And I simply
2 added the word "respectfully" at the end of that sentence. So we
3 tie it together. Does everybody understand.

4 COMMISSIONER WILHELM: Why don't you read it?

5 COMMISSIONER McCARTHY: Sure. Starting on page 5, the
6 beginning of that sentence, "NIMH should establish a panel of
7 experts in the fields of problem gambling, treatment and
8 research, including treatment providers and epidemiologists to
9 commence a study of the estimated 5.3 to 5.8 million past year
10 American adult gamblers that Dr. Howard Schaeffer of the Harvard
11 Medical Center characterizes as Level 2 and that NORC describes
12 as "at risk" respectively."

13 Are we together?

14 On page 6, this is a one word change. Second -- pardon
15 me, first full paragraph, fifth line that ends "toward no risk."
16 The word "no" should have been diminishing and that is a Howard
17 Schaeffer recommendation. "Toward diminishing risk."

18 Please turn to page 7. These are both in the first
19 full paragraph, one, two, three, four, five, six, seventh line,
20 the sentence that begins "Services that merit study" should have
21 been "Services that merit support." Do you find it? Terry?

22 COMMISSIONER LANNI: I think I have a copy, but go
23 ahead. I'll pick it up. We should do this by color, it might be
24 helpful.

25 COMMISSIONER McCARTHY: These are not important
26 changes, but they're sensible changes.

27 Last sentence in that paragraph should have been
28 introduced by "In addition to the general treatment population
29 comma studies should involve" and so on.

1 Toward the end of that sentence, the word "or" should
2 have been "and."

3 That's it.

4 Now the people that I talked to, do we have those
5 changes? The people that I talked to in preparation of this
6 since the chair gave this to me about 10 days ago were four
7 people at the NRC, Howard Schaeffer, Richard Rosenthal, I'm
8 trying to remember Dr. Winner's first name. I just blanked on
9 it. He didn't return the call yet anyway. And Sam McQuaid, the
10 program director.

11 I talked to at NORC to Gerstein and Volberg who did
12 consulting work for them. In addition, I got help from Peter
13 Reuter. I phoned Bill Edington. He's given me a couple of good
14 ideas.

15 Incidentally, I should mention I think this is about 80
16 percent done, but not completed. I have material from Edington
17 who consulted with some of his colleagues at UN Reno.

18 I talked to two federal officials that work in research
19 departments for guidance on how we try to channel this so we have
20 some defined sense of direction.

21 The basic strategy in the research program obviously is
22 to try to wherever possible identify existing research that the
23 Congress has already funded and designed or at least directed
24 certain agencies to design with final congressional approval
25 dealing with other disorders.

26 The most obvious one being substance use so that the
27 proposal would be to add a gambling component to on-going or
28 existing research. There obviously are going to be occasional
29 times when there is no research in an area that this Commission
30 collectively will believe that there ought to be some research

1 in, in which case we would simply ask the Congress to authorize
2 the most appropriate and there may be two, national institutes we
3 want to identify as the most appropriate for Congress to consider
4 assigning this task to.

5 In listing the areas of research, I do not suggest that
6 I have covered every single area that needs to be covered. I
7 think I've tried conscientiously to go back over a lot of the
8 material that's been produced, the NRC report, the NORC report
9 that I'm aware that there are clearly several important things
10 missing from here.

11 I've tried to invite individual members of the
12 Commission to submit to me their best thinking and I appreciate
13 the last 10 days, two weeks have been so hectic for everyone that
14 I can easily appreciate there hasn't been an opportunity to do so
15 yet and I want to renew that request over the next several days.
16 Please give me your best thinking and we'll try to talk it out.

17 What I tried to avoid in this was listing 100
18 recommendations for research. Just as some of us believe the
19 total report should be pretty succinct and not 200 to 300 pages
20 long, I also have a personal feeling, subject to the will of the
21 rest of the Commission that we shouldn't have an overly lengthy
22 list of research reports, but that is totally subject to
23 discussion and to your wisdom. Thank you.

24 CHAIR JAMES: Thank you. With that, we're open for
25 discussions on the future of research.

26 COMMISSIONER LEONE: I have three points. First, there
27 are a number of topics relating to economics that I think should
28 be in our future research agenda and I would rather give them to
29 you on paper and circulate them to everybody than try to spell
30 them out.

1 The second comment is -- I'm going to reverse the order
2 of these because I think I want to leave the one we may want to
3 discuss until last. The second comment is I think that the way
4 to obtain brevity and balance of this chapter is maybe to focus
5 on questions we want answered rather than the specific kinds of
6 research and how it might be structured.

7 I think the one place where you can carry that a little
8 further because we have a relationship with all these experts is
9 in the area that -- where you've done that, Leo, but I think on
10 some of the other questions we don't have the people to go to to
11 talk about a variety of economic questions.

12 The third question though I had raised it at an earlier
13 point. This issue, given the way Washington works, who is going
14 to compete every year in the budget process for the money to do
15 research on the social and economic impact of gambling in the
16 United States?

17 My concern is that the way we -- the way things
18 actually work in this town, that unless somebody has an
19 institutional interest in that, that they probably won't make it
20 part of their testimony or be the first thing to go when they ask
21 for money. I don't propose, necessarily, creating a new research
22 organization, but I wonder if we can be more specific about
23 adding it to the legislative, the statutory charter of one of the
24 existing organizations that -- one or more who gather information
25 and studies in the United States.

26 When that has happened in the past, for example when
27 aging got to be a part of the work at the National Institutes of
28 Health, National Science Foundation, a whole -- there was a
29 flowering of research about it around the country because it
30 became a regular part of the process and it has gotten into topic

1 like why people retire at 62 and why didn't they retire earlier
2 or later and I just think if we could -- I don't have the
3 formula, but if somebody could take a look at places where this
4 might be located and what they're existing mandate is and whether
5 we could propose that their mandate be broadened and legislation
6 be introduced to do so, I think that might be --

7 COMMISSIONER MCCARTHY: Let me answer the question so
8 we have some continuity, if I may. I totally agree with what you
9 just said. I spent some time trying to phone people to identify
10 who, which one or two national institutes or whether agencies --
11 although you know generally it's the national institutes that do
12 most of the research.

13 Which ones have been doing analogous research in the
14 past, so I just totally agree with what you're saying. And if
15 somehow we persuade Congress with one voice and a balanced
16 research program to fund this exactly what you said is going to
17 happen. You will have scholarly people from around the country
18 wanting to do this research. That's what's been missing up to
19 now.

20 COMMISSIONER DOBSON: You've really answered most of my
21 question. I would assume that this would go through NIH or NIMH
22 and once the money is there, the scholars will show up because
23 they tend to follow the bread and if we could get it linked into
24 one of those institutes, I think we'd be able to get that.

25 COMMISSIONER WILHELM: Okay.

26 CHAIR JAMES: Oh yes, John.

27 COMMISSIONER WILHELM: In addition to the NIH and the
28 NIMH that Jim mentions, obviously that addresses part of the
29 subjects that fall within the Commission's purview, namely the
30 social impacts. I don't believe, unless I'm mistaken that either

1 of those departments is particularly well suited to do the
2 economic piece.

3 Richard has repeatedly made the point, I think
4 correctly, that just as there is a lot of things we don't know
5 about the social impacts, so there are lots of things we don't
6 know about the economic impact. We don't have the quality of
7 information we'd like about the economic impact even regionally
8 and certainly not nationally.

9 I don't off hand know the proper either governmental
10 organization or independent organization that ought to take a
11 look at that, but I certainly agree with Richard that we should
12 make an attempt to identify that piece as well as the social
13 piece.

14 CHAIR JAMES: You know, one of the things that we said
15 in an earlier meeting was that we needed two things. We needed
16 research, but we also needed collection of data and in that
17 discussion, John, we talked about the fact that the Department of
18 Commerce may be a good location for the collection of some of the
19 economic data and I'm still at a loss as to where it would be a
20 good place to do some of the economic research.

21 Any suggestions?

22 COMMISSIONER LEONE: Well, I think the BLS, I think the
23 National Science Foundation, actually National Institutes of
24 Health support certain kinds of economic research.

25 I wouldn't want to do it off the top of my head, but
26 there's millions and millions of dollars spent on studies on how
27 to maximize economic growth and jobs and other things in the
28 United States, financed by federal agencies.

29 COMMISSIONER DOBSON: How about Commerce?

1 COMMISSIONER LEONE: Well, Commerce, BLS is one of the
2 places I mentioned. I think those are -- we have to take a look
3 at that and come up with an answer.

4 COMMISSIONER McCARTHY: I was asking in a couple of
5 these research choices what the Department of Labor did in these
6 areas in terms of its research or if it commissioned out research
7 and one of the areas at least there's a possibility that the
8 Department of Labor could perhaps do it in its entirety or do it
9 in partnership with another institute, although I hate the idea
10 of splitting it into two places. We really ought to assign it to
11 one and just try to make sure they have the balanced staff on
12 hand.

13 COMMISSIONER BIBLE: Well, to some extent you do that
14 in your sixth item, your last item where you're talking about the
15 National Research Council analyzing estimated economic benefits
16 and costs.

17 CHAIR JAMES: And while recognizing the benefit of
18 research being done at the federal level, I also don't want to
19 leave the States off the hook and there are some issues that may
20 be better studied at the State level and would encourage us to
21 include a strong statement there as well.

22 COMMISSIONER McCARTHY: Well, you're totally right.
23 Certainly every state should do a prevalence study of its own and
24 hopefully a well prepared prevalence study and I think even from
25 the experience we've had, perhaps they examine it, they'll be
26 better able to prepare a prevalence. It doesn't have to be done
27 exactly the way we did it, but I'm saying there are enough guides
28 there for them to construct a good study.

1 There could be other things as well if we would want to
2 ask the States to undertake this research and we have not gotten
3 to that in this part.

4 But this information or any major part of it would be
5 very usable by federal, tribal and State leaders.

6 CHAIR JAMES: John?

7 COMMISSIONER WILHELM: I won't disagree with your point
8 about the States, Kay, but there is a problem which we've seen
9 repeatedly in our discussions which is that I would speculate, I
10 think with some foundation, that if a State government made a
11 study of any aspect of gambling, whether it be prevalence of
12 problem gambling or whether it be economic impact in that State,
13 and found the sorts of results that might not be pleasing to one
14 interest group or another, one point of view or another, they
15 immediately would be attacked.

16 In the case of a State that, for example, might
17 hypothetically conclude that there's some economic benefit to
18 gambling, they immediately would be attacked because people would
19 say well, that's because they get all this tax money from
20 gambling, therefore they're not objective.

21 So I don't disagree with you about State
22 responsibility, but I think the States are kind of in a damned if
23 you do and damned if you don't situation to some degree. I mean
24 this is just an example. The State of Virginia where they
25 produced a study that said that the lottery was bad and they say
26 well, you're hypocrites. You run a lottery and you get money
27 from it.

28 On the other hand, if they were to produce a result
29 that said, a study that said that lotteries are good, people
30 would say well, that's not objective, you get money from it. I

1 think the same thing applies up and down the line. I think it's
2 a problem.

3 CHAIR JAMES: I guess I was more responding to the
4 collection of data that could give some insight into where we are
5 with this issue and I guess I hesitate to leave the full burden
6 at the federal door because then you get federal solutions.

7 COMMISSIONER WILHELM: That make sense.

8 CHAIR JAMES: And so that was sort of behind my comment
9 and wanting to make sure that we kept it closest to the people.

10 COMMISSIONER WILHELM: That makes sense.

11 CHAIR JAMES: Any other guidance or suggestions,
12 feedback as Leo finishes?

13 COMMISSIONER McCARTHY: May I mention one other thing?

14 CHAIR JAMES: Certainly.

15 COMMISSIONER McCARTHY: You'll notice on number 6,
16 because I was having difficulty finding one department that could
17 do the kind of complete job that I think everybody would be
18 satisfied with, I had difficulty in identifying that one
19 department. So therefore, I don't know if this will work or not.
20 I thought that the entire issue of trying to develop the economic
21 benefits and costs of legal gambling should be given to the
22 National Research Council, asking them to authorize a study.

23 I'll give you one subjective point of view. They
24 commissioned one paper that was done by a Professor Kurt Zorn at
25 Indiana University and I thought it was the best attempt I've
26 seen, which means it's enough to displease most people on both
27 sides, but it was a very intellectually honest and vigorous
28 effort to try to point out, to define what was needed to do an
29 honest balanced study of this issue.

1 Frankly, I couldn't identify one specific national
2 institute that might do this, so the search is still on. That's
3 why I thought of the NRC. Although they don't do a lot of
4 original research, they have already done some work in this area,
5 so maybe this could be defined in a way that would allow them to
6 do an extension on some past work that they've already done.

7 I don't know, I've exchanged calls with Carol Petrie
8 and haven't put that together yet, but I wanted you to know that.
9 That one was a very difficult one to try to define.

10 CHAIR JAMES: Any other comments on this particular
11 subject?