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

(9:00 a.m.)

CHAIRPERSON JAMES: Good morning. Welcome to the Inaugural Meeting of the National Gambling Impact Study Commission.

For those of you whom I've not had the opportunity meet, my name is Kay James, and I've been selected to chair this important effort. I want to personally commend each of the Commissioners for their willingness to serve in this study. We all have other jobs and it's a sacrifice, I know, for you to commit your time and energy to this effort.

I've come to recognize that public service involves sacrifice, and it's hard and frustrating and sometimes filled conflict. But if it wasn't, it would not be called service. Albert Einstein once said, "It is the duty of every citizen, according to his best capacities, to give validity to his convictions in public affairs."

I'm one of those people who believes that we must act on our convictions, and I suspect that each of you does as well. Your participation in this

1 Commission is public service in the truest sense.

2 I also would like to acknowledge the press  
3 and the public observers who are here this morning.  
4 It's vitally important that we hear from all sectors  
5 of our communities as we study this issue. Good  
6 government depends on strong public input, and this  
7 effort will require from individual and corporate  
8 citizens, communities, and local tribal and state  
9 governments, their participation.

10 We have been charged with a very broad and  
11 very difficult task -- to conduct a comprehensive  
12 legal and factual study of the social and economic  
13 implications of gambling in the United States.

14 In 1976 when this industry was last  
15 studied by the Federal Government -- we will hear more  
16 about that study, incidentally, a little later at  
17 lunch -- Americans spent less than \$25 billion on  
18 legalized gambling. At that time, gambling was only  
19 legal in two states. Last year, according to a recent  
20 Front Line special, Americans spent more than  
21 \$500 billion, and some form of gambling is legal today  
22 in all but two states.

1           Those who know me know that I like to  
2 shoot straight, and this is an understatement. I  
3 cannot help but notice that on this Commission there  
4 is a broad difference of opinion, or at least that's  
5 what the press has told us about each other.

6           I don't know what each member thinks about  
7 every facet of gambling, or at this point even if  
8 there are truly held convictions on every aspect of  
9 gambling. That's why we have two years to study this  
10 issue, and I do suspect that we will often have  
11 different perspectives. And that's a good thing.

12           It means that we will come to the table  
13 and forcefully and respectfully represent the range of  
14 opinions on gambling, and as a result together hammer  
15 out a bold final product. Diversity of opinion is no  
16 blemish upon the American public policy process. It  
17 is what makes us unique as a truly representative  
18 democracy.

19           What I can tell you is that I will use my  
20 role as Chairman to protect this diversity of opinions  
21 in three ways. First, as I expressed to the Speaker  
22 when he called me about the chairmanship, and as I

1 promised to each of you, I will make sure that we  
2 conduct the proceedings of this Commission in a fair,  
3 balanced, and objective manner. We will hear from all  
4 sides.

5           We will look at the multiple implications  
6 of this issue, and if it is the will of the Commission  
7 we will visit communities and institutions. We will  
8 take our Commission out to the American people, so  
9 that they will have the opportunity to have their  
10 input.

11           Secondly, we will treat differences of  
12 opinion among Commissioners and citizens in a  
13 professional, respectful, and honest manner.

14           And finally, we will limit our work to  
15 what the legislation calls for -- a legal and factual  
16 study of the social and economic implications of  
17 gambling.

18           And I want to take a minute to discuss the  
19 last item. Many stories have appeared in the press,  
20 I suspect most fueled by rumors, about the moral  
21 opposition some of the Commissioners have about  
22 gambling, including myself. This is interesting to

1 me, because I don't know of anyone who knows my moral  
2 position on gambling, just as I do not genuinely know  
3 that of any of the other Commissioners.

4 I admit that I do have strong moral  
5 opinions about many things, and just as that does not  
6 disqualify me, it will not shape our study in this  
7 Commission. We have not been tasked by Congress to  
8 examine the moral implications of gambling. As I  
9 understand the law, we've been tasked to assess the  
10 economic and social impacts of gambling.

11 Now, let's be clear about this. Morality  
12 is important. Good public policy should include a  
13 moral perspective. We need only look to our own  
14 history as a nation and how often America's course was  
15 determined by actions taken because they were simply  
16 just the right thing to do.

17 I will challenge, however, religious  
18 organizations and leaders to begin a dialogue about  
19 the moral implications of gambling, as we do our work  
20 here. This dialogue will be helpful to our elected  
21 representatives as they consider gambling in the  
22 future and the recommendations we present in two

1 years.

2           In the meantime, our work will focus  
3 tightly on the specific issues which we have been  
4 charged to address -- the social and economic impacts  
5 of gambling. And those issues are of great importance  
6 today. Gambling and its impact is far more complex  
7 today than it was during the last federal study.

8           What used to be limited to a dozen  
9 horsetracks and a small number of casinos has grown to  
10 be one of the fastest growing industries in America.  
11 States have come to rely upon official lotteries for  
12 revenue for education, aging, mental health, and other  
13 important programs.

14           Largely unregulated gaming operations have  
15 surpassed virtually all of the traditional revenue  
16 sources for the Native American community. The  
17 Internet has opened unusual and uncontrolled  
18 opportunities for international gaming. As more and  
19 more Americans look to legalize gambling for  
20 entertainment, revenue alternatives, and new jobs,  
21 there are many public policymakers who want to make  
22 informed decisions.

1           They are looking to us -- this Commission  
2 -- to roll up our sleeves, stand shoulder to shoulder,  
3 and provide the facts and information that will allow  
4 them to act.

5           Lastly, we should confront the social  
6 implications of this issue. While there are those who  
7 tout the benefits of gambling, there are also those  
8 whose lives have given testimony to the dangers of  
9 problem gambling. Now is the time for a nationwide  
10 study that provides an objective and research-based  
11 analysis of legalized gambling.

12           Our meeting today is largely  
13 organizational and administrative. First, the  
14 Commissioners will be sworn in and begin their duties  
15 officially. To welcome the members and provide some  
16 guidance are the original congressional sponsors of  
17 the legislation, Virginia Congressman Frank Wolf and  
18 Former Illinois Senator Paul Simon.

19           We will then discuss the legal aspects of  
20 advisory commissions, the financial disclosure and  
21 ethics requirements, administrative processes, and the  
22 Federal Advisory Commission Act. While this

1 Commission will endeavor to operate in an open and  
2 accessible manner to the public, we will also adhere  
3 to the Trade Secrets Act and not voluntarily disclose  
4 proprietary information.

5           The next agenda item will be the issue of  
6 the Executive Director, and during lunch we will hear  
7 from Charles Morin, the Chairman of the Commission on  
8 the Revenue of the National Policy Toward Gambling,  
9 which met from 1972 to 1976. If nothing else, we  
10 should appreciate Congress's relative brevity of  
11 naming our Commission. Afterwards, we will discuss  
12 the Commission's plans for the next two years.

13           Finally, at the conclusion of the meeting  
14 today, we will have a press availability for all of  
15 those Commissioners who may have statements or things  
16 that they would like to say to the press. And we will  
17 be conducting that over in that portion of the room,  
18 and so anyone is encouraged to participate that would  
19 like to.

20           I want to conclude today by thanking a  
21 number of individuals without whom we could not have  
22 met today. Many of you present today I am certain

1 have served on boards and commissions within your  
2 organizations and even at the state level, and some  
3 federal.

4 I can assure you that nothing can prepare  
5 you for the challenge and sheer magnitude of the task  
6 of establishing a federal commission. Simply to get  
7 to this point today involved a Herculean effort by  
8 many individuals.

9 Mr. Calvin Snowden, who sits to my left,  
10 is the Director of Agency Liaison Services, and the  
11 entire staff of the General Services Administration,  
12 which provides logistical support to non-permanent  
13 federal initiatives, have been absolutely wonderful,  
14 and we owe a debt of gratitude to them for the work  
15 that they've done.

16 This includes Cassandra Browner, who is  
17 the Personnel Specialist; Fred Porter, who is the  
18 Budget Analyst; and especially Kathy Archer, who is  
19 the Management Analyst. Without them, we would not be  
20 here today.

21 And I'd also like to thank my staff from  
22 Regent University, who is very concerned about exactly

1 when the staff is going to be up and running, so they  
2 can get back to their real day jobs, and also for the  
3 students who have participated in this policy process  
4 by their first foray into public policy, which  
5 included holepunching, stapling, folding --

6 (Laughter.)

7 And lastly, I would like to thank Jeff  
8 Hysen, the Assistant Regional Counsel, and Thedlus  
9 Thompson, the Assistant General Counsel, at GSA, for  
10 being here today.