CHAIRPERSON JAMES: With that, let’s go to chapter two, "Gambling in the United States."

You should have two packets in front of you, one is the original edits that came in and then there are the supplements that came in this morning. Let’s see how we can move through this. Oh, great. Great. And if you -- we hit one that you proposed and you want to withdraw it, just say "withdraw," and we can move through it fairly quickly. That is a big chunk.

Okay. The first one up is page number 13. Is that the one you have in front of you? The first paragraph, line two?

COMMISSIONER DOBSON: That’s me. At the top of page 13, additionally not all -- everybody find it?

"Additionally not all gambling facilities are successful. Some tribes operate their casinos at a loss and a few have been forced to close money-loosing facilities."

We’re suggesting that we have a statement here that comes from the NRC. You see the reference down below that says:

"Tribal members also face the social costs attendant to any form of gambling. In addition, preliminary research presented to the Commission indicates that Native Americans appear to be at an increased risk for gambling addiction."

CHAIRPERSON JAMES: Are you offering that as a motion, Jim?

COMMISSIONER DOBSON: As a motion.

CHAIRPERSON JAMES: Is there a second?

COMMISSIONER LOESCHER: I’ll second it.

CHAIRPERSON JAMES: It has moved and seconded.
Discussion?

COMMISSIONER LOESCHER: Madame Chairman, may I?

CHAIRPERSON JAMES: Commissioner Loescher.

COMMISSIONER LOESCHER: I -- I’ll use the cite, the NRC
and all that business be in the -- the language here is
"preliminary research." I don’t believe that there was any
substantive research in this area, and I think this is just
prejudicial language, unsubstantiated. And in all the testimony
that we heard, you know, and I attended every one of the hearings
of the Native American Subcommittee, closed and general hearings
of this, almost all of them, we never received any substantive in
the hearing record on this point. And I -- I would hope that the
Commission members would not accept this language for the reasons
that I’ve stated.

CHAIRPERSON JAMES: Any other discussion?

COMMISSIONER WILHELM: I would concur with Bob that
there’s nothing I know of in the record, and please correct me if
I’m wrong, about the second sentence. The first sentence, to me,
is gratuitous, because this report, and it’s -- it is replete with
all kinds of stuff about social costs attendant to gambling. It’s
everywhere. And I think it’s gratuitous to single out tribal
members as a particular -- as a particular group that -- those
costs. And there’s nothing anywhere in the volumes of rhetoric
about this in the draft report that suggests that they’re not.

COMMISSIONER DOBSON: I do have the reference, Madame
Chair.

COMMISSIONER WILHELM: Commissioner Dobson.

COMMISSIONER DOBSON: Again, page 46, and again on 416
of the NRC report, read:
"Since the passage of the Indian Gaming Regulatory Act of 1988, gambling among and sponsored by American Indians on reservations has increased substantially, and it rose since 1992. In the Zigzaut (phonetic) study, American Indian adolescents exhibited more serious problems with gambling, an earlier onset of gambling problems and a greater frequency of gambling problems than their non-Indian peers. The Bulberg study found that indigenous populations reported more gambling involvement, gambling expenditures, and gambling-related problems than white populations from the same areas.

COMMISSIONER MOORE: I can’t turn right to it now, but I believe that the essence of this statement is made elsewhere in the report. I don’t see why we need to have this right here. I believe that this is elsewhere in this report.

COMMISSIONER LEONE: So, you think, Dr. Moore, that you covered it in the tribal supplement?

COMMISSIONER MOORE: I think that that’s mentioned in that, that there are more alcoholics. I think that --

COMMISSIONER LEONE: Maybe we could put it on hold until we get to that chapter. In some ways it fits better in that chapter.

COMMISSIONER WILHELM: I would point out that in the same page, 4-6, of the NRC study it also says:

"Studies have also generally failed to disentangle race and ethnicity from issues of property and social demographic status."
I do not understand the logic that -- in this language that Jim is seeking to amend, singling out this particular group. There’s a great deal of information in the NRC report, for example, that suggests that it may be the case that -- this precedes the sentence that I just read in the NRC report -- it may be the case that whites have bigger -- more gambling problems than African Americans, even though we have other data that suggests that African Americans may be more susceptible to lottery problems and so on and so on. So, it seems to me that in view of the complexity of these issues, and in view of the sentence that I just read in the NRC, that to single out Native Americans strikes me as --

COMMISSIONER DOBSON: Excuse me, John, but read the sentence there that says, "Since the passage of the Indian Gaming Regulatory Act of 1988."

COMMISSIONER WILHELM: The one you just read. Yeah.

COMMISSIONER DOBSON: Yeah. That sentence that -- the reference that gambling among and sponsored by American Indians has increased substantially. In that case it’s not referring to other ethnic groups.

COMMISSIONER WILHELM: Well, but in just the few lines above that, Jim, it also says specifically:

"Studies among black, Hispanic, Asian and American Indian gamblers have been lacking. A few studies that include diverse populations have in general failed to distinguish."

It’s just -- my only point is that this is a very complex subject, and I think that it’s imprudent and needlessly incendiary to single out this particular group.
COMMISSIONER LANNI: I would concur with that and I would say also if we take a look at the proposals which I have only half-headedly suggested to research that they raise the income tax level to over 60 percent, we have -- we have sufficient research that we're asking for and we're requesting that tribal governments also participate in that research to really get some figures that make sense. I think by anyone's standards I think one thing we can all agree with in this Commission is that we do know now is what we really -- how much we really don't know, that there's a lot more. And I think the research will make much a better determination than coming with some preliminary research that the NCR had on this particular matter. I would be more comfortable just waiting to see what all this research through the various agencies that we've asked to provide in this situation. And I think it's a bit of an attack on people that's been pejorative. I know that wasn't the intent. I'm not suggesting that was the intent. But I think anyone reading it might take that as the intent, although it wasn't.

COMMISSIONER BIBLE: Can I jump in?

COMMISSIONER DOBSON: Let me just defend what's stated here and then I will yield. The discussion here is being characterized as an attack on Native Americans, but if you read this statement, it is not a statement with reference to Indians compared to others, as we would if it was pejorative. It is, "Tribal members also face the social cost attendant to any form of gambling." That is not disrespectful or an attack on Indians.

COMMISSIONER LANNI: I don't think it -- I wasn't saying that it was. As I said, I think it could be perceived by the reader when he reads on, or she reads on, saying:
"Preliminary research presented to the Commission indicates that Native Americans appear to be at an increased risk for gambling addiction."

We’re reaching that conclusion on a preliminary basis, and all I’m saying -- and I don’t think there was any intent on your part to be pejorative or to single out -- I’m merely saying that I think that -- let’s let the research define if such an issue exists, and not really go for the preliminary.

COMMISSIONER LEONE: I just want to say two things, and obviously we need more research, but the notion that Native Americans are being singled out implies that somehow that is a random decision. Native Americans turn up in this gambling report as some people are singled out. So does Atlanta City. So does Las Vegas. We have singled out the communities that sponsor gambling. We’ve singled them out in many cases to talk about how they provide jobs and tax revenues. There’s been a lot of testimony about the good things. We’ve also, quite properly, looked at what the effect social and otherwise has been on those communities that sponsor gambling. The fastest growing place for gambling that’s getting started in the United States, as I understand it, is on tribal lands.

I don’t think whether this statement is supported by more than the NRC report ought to be in there is a different question. But I don’t think it’s fair to attack Commissioner Dobson’s suggestion because he’s singling out people who are on the places where new gambling establishments are rapidly springing up. We would do the same thing in Iowa or Minnesota or anywhere else where they were starting gambling to see what the effect was on local populations, positive and negative.
And I think, you know, in the spirit of being constructive and moving forward, even if we disagree with the assertion, I think we ought to have some consistency. If we’re going to go through this report and remove all the references to local events because we’re singling out those communities, then we, you know, we --

COMMISSIONER LANNI: I think here we’re talking about inserting, not deleting.

COMMISSIONER WILHELM: Well, with respect for Richard, I would disagree with what you just said. In the case of Botchlitz (phonetic), for example, we’re not talking here about the possibility of increasing the problem gambling in the vicinity of Botchlitz. That’s not what this says. In the case of California tribal casinos that exist, we’re not talking about the possibility of increased problem gambling in the vicinity of those casinos.

We’re singling out an ethnic group that happens to be among the people who are in the immediate local area that you’re talking about. Botchlitz, for example, has about 550, give or take, represented in the tribe, and there’s thousands of people that go there every day, and I would just offhand make a bet, so to speak, that the great majority of people who experience problem gambling in Botchlitz are not Native Americans. Likewise, probably every tribe in the country, with the possible exceptions of rural, isolated ones.

So, and again, particularly in view of the NRC’s statement that studies have generally failed to disentangle race and ethnicity, it just makes me very -- I don’t think we have enough -- enough data to say this.
COMMISSIONER LEONE: Well, I’m not going to fight this forever, but I think we talked about -- these are sovereign governments who make gambling decisions on a special basis. We have argued that they ought to take into consideration and even pay for more of the research and consequences of those decisions elsewhere. I don’t think it’s inappropriate, therefore, to ask any government.

We’ve talked about one state setting up gambling next to another state. You know, we -- I think -- I don’t think it’s -- anyway, I don’t think it’s singling people out to raise this issue. It may or may not be that we want to go with what the NRC said. There’s a strong enough basis for making this assertion. It could go up or down. But it’s a reasonable place to ask the question.

COMMISSIONER MCCARTHY: Madame Chair.

CHAIRPERSON JAMES: Are you ready for the question?

COMMISSIONER MCCARTHY: Yes. Madame Chair, I would just like to say, you know, I have this -- associated study, read it. It’s one of the work products of the Committee and all of that. But even Dr. Moore says, "Finally, all study findings thus far should be taken with a grain of salt. Despite the -- committee, no single study has been truly comprehensive and definitive." And I think by his own words he says it all. So, I would just hope that -- I believe that there’s more to come in the future research that validates the statement.

COMMISSIONER WILHELM: I’d move to question.

CHAIRPERSON JAMES: All in -- we have not checked that.

COMMISSIONER MCCARTHY: Instead of gambling addiction, that we put increased risk of problem or pathological gambling.
COMMISSIONER DOBSON: Accept that -- Madame Chair, I would like to ask that the motion that has been made and seconded be voted on, and then if it comes up in another place we can -- we can justify it.

COMMISSIONER WILHELM: Are you going to make that motion to where it refers to gambling addiction, that that term be replaced with the terms that you suggested?

CHAIRPERSON JAMES: You think so, but you are at least doing it here?

COMMISSIONER WILHELM: Well, we should be consistent.

CHAIRPERSON JAMES: Well, if we -- if we make the decision to do that, it’s very easy with word find for them to do that throughout the document. So, it’s really a policy question. And if we decide as a Commission.

COMMISSIONER MCCARTHY: It depends on what the content of the sentence is, but I would generally want it to read problem or pathological gambling. That’s more consistent with the NRC.

COMMISSIONER WILHELM: I think it is, too.

COMMISSIONER DOBSON: Madame Chair, to this point in the next chapter, there are four places where pathological gambling or gambling is used alone, as opposed to problem and pathological gambling. And so that gets to the same point.

COMMISSIONER WILHELM: I move the question as amended.

CHAIRPERSON JAMES: All in favor? Any opposed? I think the ayes have it as amended. Next?

COMMISSIONER DOBSON: Page 17, is that? This item appears at the top of the page, the first paragraph:

"Because sports wagering is illegal in most states, it does not provide any of the positive
impact that other forms of gambling offer, in particular, sports wagering does not contribute to local economies and produces few jobs. Unlike casinos or other destination resorts, sports wagering doesn’t create another economic sector."

In the interests of being succinct, removing extraneous language, I would bring this down --

COMMISSIONER WILHELM: That’s going to require a lot of motions to make this thing succinct.

COMMISSIONER DOBSON: This comes down to about nine words, John.

"Because sports wagering is illegal in most states, it provides no economic benefits."

CHAIRPERSON JAMES: Well.

COMMISSIONER BIBLE: Move the question.

CHAIRPERSON JAMES: Well, but it hasn’t been seconded yet.

COMMISSIONER BIBLE: Second.

CHAIRPERSON JAMES: Okay.

COMMISSIONER WILHELM: I have some comments.

CHAIRPERSON JAMES: No, I think what you heard was a pregnant pause and some consideration. Waiting for a second.

COMMISSIONER WILHELM: This one I really don’t get. This is -- this is written as though we should know where -- acknowledge that some forms of gambling have any positive impacts at all. And this cannot be, with all due respect, in the interest of succinctness, because we have tons of other stuff we get to vote on that’s opposite of Jim’s contributions to succinctness or lack thereof.
This language really acknowledges that compared to some other forms of gambling that sports gambling doesn’t have a positive economic benefit. That’s not a horrible thing to say. In fact, it’s a somewhat useful thing to say. That doesn’t — that doesn’t water down nor negate the numerous places at which the Commission has chosen to say that — all kinds of doubts about the extent of the positive benefits. But we haven’t yet reached a conclusion, I stress yet, that there are no positive benefits. In fact, some of our recommendations actually say that there may be some sort of benefits.

COMMISSIONER BIBLE: Jim, my concern would be that in jurisdictions where it is legal that the — in jurisdictions where sports wagering is widespread, it simply a game that’s offered as a game as part of an entire gaming mix, the economic benefits of sports wagering is the same as it would from a baccarat game or a 21 game or any of those activities. If you take each individual activity and distill it down and look at it, you may be making the case that there’s no economic benefit. If you bundle them all up into a package, you have the economic benefit of a destination resort.

CHAIRPERSON JAMES: Well, let me — my struggle is a little bit different one, Jim, and I’m trying to figure out how it’s the provides no economic benefits just because it’s illegal. Because illegal activity does provide illegal economic benefits for some people. I mean —

COMMISSIONER DOBSON: It’s certainly not taxed.

CHAIRPERSON JAMES: Right. But that — but it does generate — I’m trying to sound not too knowledgeable about this. I mean, is that a true statement.
COMMISSIONER BIBLE: It does provide economic benefits.

CHAIRPERSON JAMES: It may be ill-gotten gain and it’s illegal, but can you make that -- can we make that statement and have it pass the straight-face test?

COMMISSIONER LANNI: And in fact, realistically, the Internal Revenue Service and, for example, the California Franchise Tax Board, are known to actually have illegal bookies make tax payments, and they actually -- so they do pay taxes. And they don’t share that with any of the other Departments of Justice or the AG’s office at the state.

CHAIRPERSON JAMES: As long as they get their taxes.

COMMISSIONER LANNI: As long as they get their tax.

And that is a fact. So, there is some reason for you people to attend these meetings. You’ll actually learn something.

COMMISSIONER MOORE: Yeah, that’s the black market tax.

COMMISSIONER LANNI: Black market income is what it comes to.

COMMISSIONER DOBSON: Do you think I ought to withdraw that motion?

CHAIRPERSON JAMES: Yeah, I think so.

COMMISSIONER DOBSON: There’s a dimension of that that doesn’t meet the eye. How about the second? Want to withdraw it?

CHAIRPERSON JAMES: The seconder, who was second? Oh, okay.

COMMISSIONER WILHELM: Okay. Everything else in this regular packet we’ve already dealt with.

CHAIRPERSON JAMES: That’s right.

COMMISSIONER WILHELM: However, I’d like to return for a moment to the thing that we just passed about Native Americans.
I'm very concerned about this, notwithstanding Richard's comments. I don't believe this Commission exists, nor should, given its legislative purpose, in a vacuum.

It is no secret to this Commission that many in Indian country already believe that this Commission is biased against it. I don't happen to agree with that, but there's no question that that is the case, that that belief is widespread in Indian country. And it's one thing to make a well-grounded statement like, for example, tribal gaming is the largest, the fastest growing segment of gambling in America. That's a fact. It's not a fact, necessarily, that tribal gaming interests like to have spot lighted, but it's a fact.

It's one thing to make recommendations, for example, such as we made today over Commissioner Loescher's objection, or what was reiterated today, I should say, over Commissioner Loescher's objection, that tribes should not be allowed to have gambling activities that are not allowed to others in the states. That's a -- while arguable and while resented in Indian country, it's a, I think, a legitimate thing to say.

But I think it's quite another thing to say that -- to single out -- and I heard you, Richard, but I continue to think that's the appropriate phrase, Native Americans as appearing to be at an increased risk for gambling addiction when, a, that research is much more qualified in the NRC report than this statement would suggest, and when, b, we haven't made similar comments about other ethnic groups, even though the research points to other ethnic groups as well.

So, having said that, I would first like to ask that someone who voted in the majority on that move to reconsider it.
altogether and that we dump it. Failing that, I would like to move the following addition to it.

CHAIRPERSON JAMES: Can someone, just for point of departure, read the motion as it passed?

COMMISSIONER DOBSON: Would some -- would, John, would you explain to me we are now revisiting something that we’ve already dealt with?

COMMISSIONER WILHELM: You bet. That’s exactly right.

COMMISSIONER DOBSON: We’re coming back to it?

COMMISSIONER WILHELM: You bet.

COMMISSIONER DOBSON: Yeah. Okay.

COMMISSIONER WILHELM: Yeah. And we’ve been doing that. And we have to keep doing it, we’ll keep doing it.

COMMISSIONER DOBSON: Only when you do it.

COMMISSIONER WILHELM: No, sir. I haven’t submitted a fraction of the recommendations you’ve submitted. I haven’t revisited a fraction of the recommendations you’ve revisited. So, as I -- I have served --

COMMISSIONER DOBSON: You have -- to the whole Commission. You --

COMMISSIONER WILHELM: Well, Jim, if I talk too much for your tastes, that’s tough.

CHAIRPERSON JAMES: I am going to ask that Valerie please read the motion as it currently exists.

COMMISSIONER WILHELM: Well, I’m making a separate motion.

CHAIRPERSON JAMES: Well, just for my purposes, I just --

MS. RICE: Tribal members also face social costs
attendant to any form of gambling. In addition, preliminary research presented to the Commission indicates that Native Americans appear to be at an increased risk of the problem of pathological gambling.

COMMISSIONER WILHELM: I would like to -- if no one who voted in the majority will make a motion, I --

COMMISSIONER MOORE: I will make a motion. And the reason that I'll make a motion to withdraw and reconsider this is I believe that we can make the social impact. This paragraph has already -- in the what we were talking was talking about the economic impact of Indian gaming, is the way I understood. You come along in one paragraph and go and add social effects, I believe we can add social effects. Not that I disagree with the statement. I believe there was the necessary testimony --

CHAIRPERSON JAMES: So, you’re moving to --

COMMISSIONER MOORE: -- in this point.

CHAIRPERSON JAMES: You are moving to reconsider?

COMMISSIONER MOORE: I move to reconsider.

CHAIRPERSON JAMES: Is there a second for that?

COMMISSIONER DOBSON: Did you vote for the motion?

COMMISSIONER MOORE: I voted for the motion.

CHAIRPERSON JAMES: Yes, he did vote for the motion.

COMMISSIONER LANNI: I’ll second it.

CHAIRPERSON JAMES: I’m not sure whether we need one or not, but we got one.

COMMISSIONER MOORE: Motion to reconsider.

CHAIRPERSON JAMES: That’s exactly right. All in favor? This is the motion to reconsider, not what the motion would -- not what we would -- not the language. A yes means we
will reconsider that vote, a no means it stays as is, are we clear? This is the motion to reconsider. All in favor of the motion to reconsider? Any opposed? Okay. We will reconsider the motion. Now, now you can move to amend or --

COMMISSIONER WILHELM: I move to strike this.
CHAIRPERSON JAMES: To strike the entire amendment.
COMMISSIONER BIBLE: I’ll second that.
CHAIRPERSON JAMES: It has been moved and seconded.

Discussion. Commissioner McCarthy?

COMMISSIONER MCCARTHY: The motion to strike --
COMMISSIONER WILHELM: You mean, had it not been reconsidered? I was going to propose --
CHAIRPERSON JAMES: No, it’s -- it’s not. At this point, my understanding is we have moved to strike, and that has passed. And so we’re --
COMMISSIONER WILHELM: No. No. The motion was reconsidered.
CHAIRPERSON JAMES: I’m sorry. I’m sorry. With a motion to strike. That’s correct.
COMMISSIONER WILHELM: I’ll read it to you. I think it’s a poor substitute for strike it, but what I was going to propose, since this is allegedly based on the -- I’m sorry, withdraw that. Since this is based on the NRC report on pages, page 4-6, I was going to propose a sentence to be added. And again, this is a poor substitute for striking it. The sentence would say:

"However, the same source also stated that, quote, 'The studies have also generally failed to disentangle race and ethnicity.'"
And then I was going to go on to say that:

"The studies have also pointed to increased risk of problem and pathological gambling amongst whites, African Americans, Hispanics and other groups."

Which is factual. All from page 4-6.

CHAIRPERSON JAMES: I’ll tell you, I was predisposed to support my fellow Commissioners on this one. Let me tell you what my problem is. And it’s -- it’s increased risk as -- and it implies in that statement that somehow there is something intrinsic about Native Americans that makes them added increased risk, and I just don’t believe that to be the case. I think that anyone who comes into that much contact with gambling could potentially have an increased risk, but I think it unfairly singles out Native Americans.

COMMISSIONER DOBSON: Going back to the statement, Madame Chairman, tribal members also -- also face.

CHAIRPERSON JAMES: Yeah. No, I was referring to the second -- the second sentence.

"In addition, preliminary research presented to the Commission indicates that Native Americans to be at an increased risk."

As opposed to something along the lines that Native Americans -- it appears that there is a comparison that is being made to other ethnic groups and that somehow there is something intrinsic about Native Americans that makes them at an increased risk.

COMMISSIONER DOBSON: For me it keys off the first sentence. This falls on the heels of the first sentence, which
barely says that it’s not only true of these folks, but it’s true
of these folks, too.

CHAIRPERSON JAMES: Right. Well, I understand, Jim,
but I really do believe that it would be interpreted that way.

COMMISSIONER BIBLE: Why don’t we just leave the first
sentence in and strike the second sentence?

COMMISSIONER MOORE: Why don’t we just ask Jim to
withdraw this and go ahead with this and we’ll --

CHAIRPERSON JAMES: Well, the motion to strike is the
motion that is before us right now.

COMMISSIONER WILHELM: I would move the question that’s
before us.

CHAIRPERSON JAMES: All in favor of the motion to
strike? Opposed? I think the ayes have it.

COMMISSIONER DOBSON: Madame Chair, I make a motion
that we take the first sentence and let it stand as it is.

"Tribal members also face the social costs
attendant to any form of gambling."

CHAIRPERSON JAMES: Is there a second for that? There
is a second. Discussion? All in favor? Opposed? I think I’ll
need a roll call on that one. Commissioner Bible?

COMMISSIONER BIBLE: Aye.

COMMISSIONER DOBSON: Commissioner Dobson?

COMMISSIONER DOBSON: Aye.

CHAIRPERSON JAMES: Commissioner Lanni?

COMMISSIONER LANNI: No.

CHAIRPERSON JAMES: Commissioner Leone?

COMMISSIONER LEONE: Aye.

CHAIRPERSON JAMES: Commissioner Loescher?
COMMISSIONER LOESCHER: No.

CHAIRPERSON JAMES: Commissioner McCarthy?

COMMISSIONER McCARTHY: Aye.

CHAIRPERSON JAMES: Commissioner Moore?

COMMISSIONER MOORE: No.

CHAIRPERSON JAMES: Commissioner Wilhelm?

COMMISSIONER WILHELM: No.

CHAIRPERSON JAMES: Commissioner James votes no.

That’s five nos and three yeses. Okay, Chapter 2, Gambling, we’re ready to move to the supplements. We’re still in Gambling in the United States. I’d like to try to finish this chapter before we take a break. The first one’s yours.

COMMISSIONER BIBLE: This refers to Nevada having slot machines in bathrooms.

CHAIRPERSON JAMES: You’re right. The next one is Chapter 2, page 9, first full paragraph. Begins with, "With these original states now approaching saturation point," and it ends with, "It is operating illegally."

COMMISSIONER BIBLE: That was probably older language, because the Supreme Court decision has since been overturned by a vote of the people in Missouri.

CHAIRPERSON JAMES: And so you’re recommending --

COMMISSIONER BIBLE: Just strike it.

M7 I would second that.

CHAIRPERSON JAMES: So start where?

COMMISSIONER BIBLE: Missouri Supreme Court has thrown the entire industry in a turmoil by ruling that much of it is operating illegally.

CHAIRPERSON JAMES: Can we just do that by acclamation?
No. 2, a look at --

COMMISSIONER BIBLE: The second one I thought was kind of interesting is down in the first full paragraph before the end of the page. It says, "Look at the map of river boat casinos floating down demonstrates the strategy. The riverboat form a ring around their host states." I would suggest that’s more a function of geography.

CHAIRPERSON JAMES: But it was such a nice map.

COMMISSIONER BIBLE: I know, but it just doesn’t make sense. That needs to be cleaned up.

CHAIRPERSON JAMES: A look at the riverboats clearly demonstrates. It’s been moved and seconded. Any discussion?

Call for the question. All in favor? Any opposed? Any abstentions? That will be deleted.

M13 Madam Chair?

CHAIRPERSON JAMES: Yes.

M13 Could I ask a question here? Are we deleting sentence one? We pick up with?

CHAIRPERSON JAMES: Pick up with, "Despite the intention," is that correct, Bill, what you’re recommending?

COMMISSIONER BIBLE: You’re going to have to make it flow somehow. It’s just that the predicate lead in sentence where you’re talking about marshall casinos around the borders is not a function of a conscious decision. It’s more a function of geography.

DR. KELLY: So a simple geographical statement.

CHAIRPERSON JAMES: Page 15?

COMMISSIONER BIBLE: Page 15 we have enumeration of four states that allow slot machines on race track. At least to
my knowledge there are two and possibly three others in Louisiana, New Mexico. New Mexico just opened.

COMMISSIONER LANNI: I think again we should use EGDs there.

CHAIRPERSON JAMES: Bill, can you point me to where on the page?

COMMISSIONER BIBLE: At the bottom of page 15 under issues.

CHAIRPERSON JAMES: Right, presently.

COMMISSIONER BIBLE: Presently four states.

CHAIRPERSON JAMES: And you’re recommending that that be changed?

COMMISSIONER BIBLE: I think staff needs to check them because I’m aware of at least two and perhaps three states that should be included in that list. We have the same reference in the regulation chapter. It’s just not factually correct.

CHAIRPERSON JAMES: The third line up from the bottom of the page?

COMMISSIONER BIBLE: Just check the listed states. I have personal knowledge of three other states.

CHAIRPERSON JAMES: Did you get that? Which one of you is doing the editing? Did you get that? If you are not able to find out today what those other states are, I would suggest language where you say several states such as, or something like that, because I want to put this one in. Next?

COMMISSIONER LANNI: Page four, line 14 withdrawn.

CHAIRPERSON JAMES: Great.

COMMISSIONER LANNI: Next page, page No. 6, line No. 15 is withdrawn. Page No. 7, lines Nos. 1 through 8, withdrawn. The
supplement. Page No. 7, this is not withdrawn -- lines 26 and 27, that’s under the casino section. It refers to the fact that there are now 85 riverboat dock site casinos in six states and 187 casinos on Indian reservations. Elsewhere in this report the numbers used is 289. The problem we have is that we also have another section where it’s referred to as 298. So we’re going to have to accept either 187, 289 or 298. We should be consistent.

CHAIRPERSON JAMES: Commissioner Loescher?

COMMISSIONER LOESCHER: I disagree with the gentleman.

The GEO report --

COMMISSIONER BIBLE: I think we should be consistent.

CHAIRPERSON JAMES: Just for fun, let’s --

COMMISSIONER LANNI: I think given the timing issues and the fact that things are happening as we go along, we should use approximations. Just use an approximate number. It’s going to be out of date.

CHAIRPERSON JAMES: Approximately 260. It’s been moved and seconded. Question? All in favor? Any opposed?

COMMISSIONER LANNI: Page No. 8, 6 through 13, withdrawn. Page No. 9, 7 through 9, withdrawn. Page No. 9, lines 10 through 35 withdrawn. The covers the next three pages. I would ask to delete the second and third pages of additional citations and just go with the very first page. The current language is the third full paragraph, "Opponents’ counterclaims of."

What I’m saying is if you just take on my three pages, I would delete everything on pages two and three of mine and deal just with this first page, which is called page No. 10, line Nos. 13 through 20.

CHAIRPERSON JAMES: So following that paragraph you
would insert what’s on page one which starts with, "There has been
much information," and goes all the way down to the example of
Biloxi, Gulf Port, Mississippi. Page 10, third paragraph down.
It starts with, "Opponents’ counterclaims." AT the end of that
paragraph, the last word is, "another." Insert right after
another the language beginning with, "There has been much
information provided to this commission." So no deletions, but
you would insert that starting with, "There has also been much
information," down to at the end of the page, "1995."

COMMISSIONER BIBLE: Can we ask Mr. Lanni to explain
this?

COMMISSIONER LANNI: I think you need to read it first,
Jim.

CHAIRPERSON JAMES: We’re going to take a minute for
everybody to read it and then we’re going to discuss it.

COMMISSIONER McCARTHY: This proposed amendment I think
--

COMMISSIONER BIBLE: I’m proposing that in the section
we quote from Arthur Anderson, rather than have an argument -- or
that Terry’s proposing to quote, rather than have an argument,
which I would have to conduct vigorous the substitution theory,
that we eliminate that first sentence and there is nothing
objectionable with the section that begins, "The size of the US
economy is not fixed," etcetera and so forth. I think if that’s a
point Terry wants included --

M1 I’ll accept that.

COMMISSIONER BIBLE: -- we can discuss that. Those are
factual statements.
COMMISSIONER WILHELM: They’re seconded by motion.

CHAIRPERSON JAMES: What he’d like to do is to delete from, "inherent," through, "first."

COMMISSIONER WILHELM: Changing which part -- what I’m trying to do here is get to the quote from Arthur Anderson --

CHAIRPERSON JAMES: That you can live with. That’s means dropping this first -- the first two sentences and beginning --

COMMISSIONER WILHELM: The substitution issue is one that’s debatable.

CHAIRPERSON JAMES: We would all agree.

COMMISSIONER BIBLE: We’re going to be talking -- just going to start out, "First."

CHAIRPERSON JAMES: The size of the US economy is --

COMMISSIONER WILHELM: The quote that’s in there now is only part of the Arthur Anderson quote.

COMMISSIONER BIBLE: You can say the following four reasons.

CHAIRPERSON JAMES: So I have added, "For example," deleted the first two sentences, "inherent," started with. I think it was second. Leo?

COMMISSIONER McCARTHY: Economic benefits and jurisdictions -- the only thing I want to point out is that the testimony all represent mostly the facilities. I don’t contest, but the testimony they gave is accurate that indeed if the host community, which in some cases is a small town, the benefits to that town -- what’s missing from this state is that there is no assessment of what the outcomes are.
COMMISSIONER LANNI: And I think that’s part of a recommendation on research that was made in your massive list of research, so I think that we’ve dealt with that.

UNIDENTIFIED SPEAKER: Leo, let me interrupt. It’s the same here in the draft. It’s two paragraphs above where Terry wants to put this. It says, page 10 of Gambling in the Unites States, two paragraphs above where Terry wants to put this it says, "However, this same report continues with a caveat that, ‘little is known about the impact that gambling has had on the dozens of municipalities and regions surrounding each riverboat. Thus it is,'" etcetera.

CHAIRPERSON JAMES: Are you satisfied? Then what we have before us is the language moved by Terry and seconded by someone with the first two sentences deleted, "For example," added. Are you ready for the question? All in favor? Any opposed? Any abstentions? Then we’ll skip the next pages.

COMMISSIONER LANNI: Then we go to page No. 10, lines No. 21 through 25. It reads currently, "A provident rationale for legalizing riverboat casinos has been their hoped for boost to industries in depressed river towns. A number of states and communities have cited tours and development as a reason to produce riverboat casinos. The use of casinos to promote tours is further evidence the blurring of once distinct barriers between gambling and the general entertainment industry."

I am suggesting that we delete this paragraph on the basis, as I note in my citation, throughout this report the language is critical of various types of gambling, opportunities where amenities are lacking. By contrast, this paragraph is critical of the industry for blurring of the once distinct
barriers between gambling and the general entertainment industry. The message contradicts what’s conveyed in other parts, therefore I think it should be deleted.

CHAIRPERSON JAMES: Is there a second?

COMMISSIONER LOESCHER: Second.

CHAIRPERSON JAMES: Discussion? The question has been called. All in favor of deleting this? All opposed? Any abstentions?

COMMISSIONER MOORE: We say the same thing throughout this report. I don’t believe that we should discuss or spend too much time on things that are discussed elsewhere. I don’t think we’re going to get this report like a mystery story. We study these as we come to them, and I don’t think it all has to tailgate to each other from one section to another.

COMMISSIONER BIBLE: It’s not going to read like a mystery story. You can figure out where you’re going when you read the first sentence.

COMMISSIONER MOORE: A mystery story, I turn back and read the last part of it.

CHAIRPERSON JAMES: We’re ready for the next one.

COMMISSIONER LANNI: Page No. 10, lines Nos. 26 through 34, withdrawn. The last change that I would propose, if we turn to page 11, lines No. 1 through 7, which currently read, "The key to large scale tourism development is inducing gamblers to stay at least one night, preferably more, which requires attracting individuals from beyond a range of 200 miles. That is beyond the radius of an easy round trip by car. Becoming such a destination resort, including the lucrative market of mainstream conventioneers, however, involves considerably more investment
capital than has been the case for the vast majority of riverboats, including the creation of an infrastructure of non-gambling related attractions, such as golf courses and theme parks, as well as airports and highways."

My question here is what is the source that we have to support the fact that to be successful in any gainful economic sense, riverboat has to draw its customers more than 200 miles away? I just don’t think the facts support this.

CHAIRPERSON JAMES: Did I get a second for this? It’s been moved and seconded. Questions or discussion?

UNIDENTIFIED SPEAKER: I agree with Terry there’s no source for 200 miles, but on the other hand, I think the point being made in the paragraph is important. I would suggest as an alternative that we simply ditch the 200 miles and say something like, "Which requires attracting individuals beyond the radius of an easy round trip by car," and leave the whole rest of it because the rest of it to me makes sense.

COMMISSIONER LANNI: My issue was with the 200 miles, so I have no problem with that.

UNIDENTIFIED SPEAKER: As the only person on the commission from the Northeast or Midwest, I accept that.

CHAIRPERSON JAMES: We’ve accepted that as a friendly amendment. All in favor? Any opposed? Any abstentions? Motion carries.

COMMISSIONER LANNI: The last item is --

DR. KELLY: Could we get a repetition of the friendly amendment?

COMMISSIONER LANNI: The existing paragraph, except that the second line will say, "Which requires attracting
individuals from," delete beyond the range of 200 miles, and the
continue, "Beyond the radius of an easy round trip by car."
The last one I have would be page No. 11, lines No. 8
through 19, withdrawn.

CHAIRPERSON JAMES: That’s the last one we have before
us on that chapter.

DR. KELLY: I hope somebody has already pointed out
that on page 10 there’s a little problem of locale here. No one
would argue that’s the riverboat in Illinois has been successful.
Northern tourism was already well established there. The only
thing well established there was (inaudible). So some other town
would be a better example.

CHAIRPERSON JAMES: Was there an additional question,
Mr. Loescher?

COMMISSIONER LOESCHER: Madam Chair, if I could avail
upon the Commission staff, on page 11 under the Native American
tribal gambling, the first line is a footnote, and I fail to see
the reason to support this line. I just bring that up. The
second thing on that page, the second from the bottom line it
says, "For most forms of casino gambling," could we just say that
for casino gambling?" Madam Chair, that’s the only thing I have.

CHAIRPERSON JAMES: We can just do that by acclamation.
Do you have all of those changes?

DR. KELLY: I’m sorry, can we get the second one? I’ve
got the first one, could you just repeat the second one?

COMMISSIONER LOESCHER: Just delete the second line
from the bottom starting with, "Tribes," period, or delete the
words most forms of, and then it would read, "Casino
gambling --"
DR. KELLY: Thank you.

CHAIRPERSON JAMES: That ends Chapter 2. Fifteen-minute break and then we’ll come back and go through Chapter 3.