CHAIR JAMES: How about convenience gambling, do you want to give us where we are at on that?

DR. SHOSKY: Sure, I would be glad to.

CHAIR JAMES: We have talked about this one a great deal, I think, yesterday and some this morning. We probably haven’t said all there is to say, and hasn’t been said by every Commissioner.

COMMISSIONER DOBSON: That was a barely veiled warning.

DR. SHOSKY: Just a few things, really quick.

I think after having drafted a chapter on this that the intuition that we have to study this, and I did realize that. I have to tell you that getting into the data was very interesting for me.

The problem that I had with the first draft was finding the right focus, because it depends on what definitions you use. As you probably know, there are three or four various definitions, and the definitions really slant the issue considerably one way or the other.

Let me give you a case in point. Yesterday we talked about local versus resort casino. Well, okay, that is one way to do it. What do we mean by retail gambling? That is another way of looking at it. What do we mean by neighborhood gambling? That is another way to look at it.

One person who has testified said that we should look at non-casino electric gambling devices. Well, okay, that is another way to look at it. And the definitional problem really becomes the whole chapter, because once you make that decision, then all of the data, which is very minimal, I might add, but whatever data is there just sort of falls in line.
So first and foremost it seems like there is this definitional concern.

COMMISSIONER LEONE: By the way, you don’t have it in the glossary, which is a give-away, because we haven’t decided how to define it. We can’t have a chapter --

DR. SHOSKY: I was feeling good about that glossary, but okay, thank you we will get that in there, in some form, or maybe all these forms. Thanks for pointing that out.

The second issue is concerning the data itself. We have conducted an incredibly thorough, I think, review of the literature, because we have done it more than once, because I couldn’t believe there was so little.

We have pulled up quite a bit of news stories, speculative comments about convenience gambling. There is not a lot of data. What data is there, and what surveys are there, we are trying to use, and get as much as we can out of them.

But I’m hoping that this questionnaire that Commissioner McCarthy was talking about will provide some cutting edge new information for us to be able to use here, as well.

Other than that I’m sure everything else has been said. But it seems to me that those two issues, the definitional issue, and the issue about the actual data that we have might be things we haven’t talked about very much.

COMMISSIONER WILHELM: I’m going to be uncharacteristically succinct, in view of your warning a moment ago.

But I’m very concerned about this issue for the precise reason that you say, John, there is very little study. But to the -- I believe there is a fair amount of sentiment in the Commission, I don’t know if I could say consensus, that this is a
substantially important issue because it is part of this proliferation of gambling that triggered this Commission in the first place, and because intuitively it seems like one of the more dangerous kinds of gambling.

I think you are absolutely right, John, we have to zero in on definitions in this draft chapter, for example, in terms of convenience and the term neighborhood is used interchangeably, and I don’t think that is appropriate.

I happen to think that there are serious problems with both. That is both convenience gaming everywhere, and with neighborhood gaming, even if it is big, and therefore may not be called convenience.

I also think that the gray area machine issue has got to be looked at here. I’m pleased to see that it has been added to the questionnaire that went to the governors.

On the other hand, realistically, I don’t see having a lot of data from the governor’s questionnaire in time for this report to be written. And finally, although you attempt to address in the draft the possibility, or in my personal view, the probability that the pathological gambling impact is potentially worse, it is also true, at least with convenience gaming, and most definitions of it, that the economic impact is minimal.

Along the lines Richard was saying earlier about lotteries, you know, if you stick a couple of slot machines in a Seven Eleven it doesn’t have any significant economic impact, except maybe a little more profit.

So that would conceivably, or it may be that the Seven Eleven should have gone out of business, according to the market. But other than that I think its economic impact is minimum, indeed, and I think we should address that.
And this fits into Jim’s earlier recommendation. It is the obverse of Jim’s earlier recommendation about destination resorts.

But I agree with you, it is very hard for us to fill this out, even though I think it is a remarkably important area.

COMMISSIONER DOBSON: That was characteristically brief, John.

COMMISSIONER LEONE: That was characteristic.

COMMISSIONER DOBSON: Let me put into a recommendation what you just said. Maybe this is not what you said, but it is what I think you said.

CHAIR JAMES: It is what you want him to say.

COMMISSIONER DOBSON: What I want him to say.

COMMISSIONER WILHELM: And I increasingly say what Jim wants me to.

COMMISSIONER DOBSON: The question is whether or not we have the courage to put the bottom line to some of the views expressed, convenience gambling creates the most social problems with the fewest potential economic benefits; therefore convenience gambling, however we define it, the placement of gambling devices in convenience stores, laundromats, restaurants and so on, should be discouraged.

CHAIR JAMES: It has been properly seconded. In favor Aye?

(Chorus of ayes.)

COMMISSIONER WILHELM: Look, that is approximately what I said. I agree with Jim, with the thrust of that. My only concern is whether or not our record supports those claims, I don’t know if it does or not, I’m a little dubious.
But I think, myself, I agree with those things. I also believe, however, that the issue of neighborhood gambling, even if it is bigger than what we would normally define convenience gambling, has got to be looked at, as well.

CHAIR JAMES: Let’s do this, because there was a tremendous, I thought, amount of consensus on this issue yesterday. And based on the information and the research that we currently have in, that we instruct the staff to come up with the strongest possible language that we can support in that area.

And a lot of that is going to have to depend on, it will not depend on, but a big part of what we have to do, I think is definitions.

COMMISSIONER LEONE: Could I make a suggestion? I think where we have come to a conclusion that we feel relatively strongly about something, but we are not sure that we have developed the evidence, or made the case, when we feel that way we should not withhold the recommendation.

But we could make a recommendation, for example, that we call on states to have a moratorium on the expansion of gambling until, and I think we could -- first of all, I think that is politically attractive idea, and it has occurred in other areas, and it would force a more explicit debate.

These things tend to creep in at the 11th hour in a budget deal, let’s put another 30 million dollar in, and that will bridge the gap, put X number of machines.

So particularly in this area, where there isn’t a well developed record, but we all feel we are sliding down, and as soon as this Seven Eleven gets a machine, the guy around the corner says, I’m going to go out of business if I don’t have this machine.
CHAIR JAMES: And I certainly hope we will see some discussion of the South Carolina, I don't want to use such a value weighted word, but fiasco.

COMMISSIONER WILHELM: I think you would get support on that.