UNITED STATES OF AMERICA

NATIONAL GAMBLING IMPACT STUDY COMMISSION

PUBLIC MEETING

MONDAY,

FEBRUARY 8, 1999

VIRGINIA BEACH, VIRGINIA

The Meeting took place in the Robertson Hall, Main Auditorium, 1000 Regent University Drive, Virginia Beach, Virginia at 8:30 a.m., Chair Kay C. James, presiding.

PRESENT:

MEMBERS:

KAY C. JAMES, CHAIR
WILLIAM A. BIBLE
JAMES C. DOBSON, PH.D.
J. TERRENCE LANNI
RICHARD C. LEONE
ROBERT W. LOESCHER
LEO T. MCCARTHY
PAUL H. MOORE, M.D.
JOHN W. WILHELM

STAFF:

DR. TIMOTHY KELLY, EXECUTIVE DIRECTOR
DR. JOHN SHOSKY, DEPUTY DIRECTOR
DOUGLAS SEAY, RESEARCH DIRECTOR
DR. KATHERINE SPILDE, POLICY ANALYST/WRITER
TIMOTHY BIDWILL, SPECIAL ASSISTANT TO CHAIR
CRAIG STEVENS, LOGISTICS & COMMUNICATION COORDINATOR
WELCOME

Chair Kay James

THE IMPACT OF GAMBLING

Eugene Christiensen

NORC:

Dr. Dean Gerstein & Dr. Rachel Volberg

Question and Answers

LOTTERY RESEARCH

Dr. Charles Clotfelter

PRESENTATION OF ORGANIZATIONAL RECOMMENDATIONS ON LOTTERIES

MR. Mike Flyn

MR. George Anderson

Mayor Jeff Griffin

Question and Answers

COMMUNITY ANALYSIS

Dr. Dean Gerstein

Adjournment
CHAIR JAMES: Good morning. My name is Kay James, and on behalf of the Commission I would like to call this meeting of the National Gambling Impact Study Commission to order, and declare that we do, indeed, have a quorum to conduct today’s business.

I want to welcome all of you to the first meeting of 1999 for the Gambling Commission, and especially welcome you to Virginia, and to Regent University.

We are pleased to be able to host this meeting, not only because our facilities will offer an excellent location for a productive meeting, but also for the opportunity it affords students to see good government in action.

I’m also pleased to announce that thanks to our audio visual staff here at Regent University, this Commission meeting will be broadcast live on the internet. So we should all be in good behavior.

If you would like to link up, please go to www.regent.edu. We have now completed our schedule site visits in which we visited Atlantic City, Boston, Chicago, Las Vegas, Biloxi, New Orleans, San Diego, and Phoenix.

As I have done at each of these cities we visited, I would like to take a moment and explain the purpose of the National Gambling Impact Study Commission.

For those of you who are joining us for the first time, this Commission was created by Congress in 1996 to conduct a comprehensive legal and factual study of the social and economic impacts of gambling in the United States on governments, communities, businesses, and individuals.
The nine members of this Commission were appointed by the President, Speaker of the House, and Senate Majority Leader. We represent diverse backgrounds, regions, and indeed viewpoints.

In June of 1999 we will report our findings to Federal, State, and Native American Tribal governments. This is an extremely timely study, as legalized gambling has grown nationally to a multi-billion dollar a year industry.

Gambling is legal in all but two states, and 38 states themselves operate some form of a lottery. Estimates of the amount wagered in last week’s Superbowl were in the billions of dollars.

New lottery games are being introduced in Virginia, and here in Virginia Beach there is even consideration of riverboat gambling.

In this environment policy makers, community leaders, businessmen, are seeking credible information about the benefits and costs of gambling, and its impact on the community.

When the Commission developed its schedule of site visits it was not conceived as an effort to view each form of gambling. To do so would take far longer, and more than the two years that we have, and the nine members that we have couldn’t get that job done in that short period of time.

I think by now each of the Commissioners has a good idea of what a casino, racetrack, lottery, or slot machine looks like, and generally how they operate.

We recognize that there are distinctions among the various types of casinos, betting parlors, and lottery games, and will continue to work to understand them.
But our principal task remains as Congress directed, to assess the social and economic impact of legalized gambling upon this nation. And devising a site visit schedule that crossed the nation and examined the various forms of gambling, we hope to ensure that we are able to hear from those that are directly touched by gambling, from families, to business owners, to government leaders.

We have heard from lobbyists who tell us the positive and the negative impact of gambling nationwide. But it is the individual college student, the individual state legislator, the individual track employee who can tell us, with personal experience, what impact gambling has had upon their community.

This particular meeting begins a process of discussion and deliberation as we move toward the Commission’s conclusion. Despite our august surroundings, this meeting is intended to be informal and open.

Each session is intended to provide the maximum amount of discussion among Commissioners. We will begin our day with two formal presentations, and then move into issue oriented discussions.

At that time we will move to a conference table in the well of the courtroom. We have invited 15 organizations to be with us, and I ask them to participate fully in the Commission’s work.

Each organization has been asked to make a short presentation on their recommendations to the Commission, and then to join us in participating in our discussion.

Again, our discussion is, indeed, intended to be informal, open, and free flowing. If there is no objection from
the Commissioners, I’m going to dispense with the formal parliamentary procedure, and ask that we conduct these sessions as an informal discussion, as we move into the well.

I will reserve my right to intervene if the discussion -- in the discussion, to ensure that everyone gets a chance to be heard, but will not require individual Commissioners to be recognized to speak. I want to keep it as informal and free flowing as possible.

While not every single viewpoint will be brought forward to the full Commission today and tomorrow, efforts were made to include those group’s viewpoints in the subcommittee’s work these past few months. In addition we will continue this process in our next meeting in March, in Washington.

Before we get started I want to thank some of the individuals who have made this meeting possible. Obviously I thought that our facilities here would be conducive to the work that we have before us in the next few days, but another reason for having the meeting here was that the Commission staff would not have to spend as much of their time handling logistical matters as they usually do before a Commission meeting, and instead could continue their work on research and writing.

Much of the work of this meeting has been done by student volunteers. They have literally put in hundreds of hours planning logistics, copying documents, prepping rooms, and organizing meals on behalf of the Commission.

They have done an excellent job, and if you have any questions, or needs, during the day please do not hesitate to ask one of them for assistance.
I particularly want to thank Stephen Daniels, Don Hively, and Rob Beals, our student coordinators, as well as the outstanding staff here at Regent University. We all very much appreciate your efforts.

With that I would like, now, to introduce to the Commission the President of Regent University, and my boss, General Paul Cerjan. Gen. Cerjan has been president of the University for about a year, and represents an inspiring example of selfless service to our nation and fellow citizens. A Vietnam veteran, President Cerjan has spent the majority of his career in command and senior staff positions in seven different division in the United States Army as Executive to the Supreme Allied Command in Europe, and as Deputy Commander in Chief of the U.S. Army, Europe.

He has also served as President of the National Defense University, and as Commandant of the Army War College. Lieutenant General Cerjan is the recipient of the Defense Distinguished Service Medal, Defense Superior Service Medal, the Legion of Merit, with two oak leaf clusters, the Distinguished Flying Cross, and the Bronze Star Medal with three oak leaf clusters.

Most importantly he is a committed husband and proud father of three children. At this time I would like to as Gen. Cerjan to please come forward and welcome the Commission to Regent University.

Gen. Cerjan?

GEN. CERJAN: Madam Chairman, Members of the Commission, it is a very daunting thing for me to walk forward.
because of my past life, when I saw a table like this, I knew I was in trouble.

I really want to formally take just a minute to welcome you to Regent University. As you might imagine, we are extremely proud of this institution, only 20 years old, 8 graduate schools, 15 degrees at the Masters and Doctoral level.

More importantly, what it stands for, is the delivery of education from a biblically based principled standpoint, to produce leaders for the future of our country. And we think that is a very, very important task, and I would tell you, very frankly, that is why I came to Regent University, because I spent 34 years in the educational leaders, and I finally felt that maybe I had been trained to the point where I might be able to make an impact by coming to Regent University.

You have a daunting task ahead of you, and I realize that, but it is somewhat similar to the task I have, and I would just share that with you, that no matter what you do, you can’t please them all. And I found out, as the university president in the last year, and the best thing you could do is to take the right approach, and the approach is going to do the best for this country.

You have committed your time, you sacrificed the time with your families, from your professional careers, to do this for the country. And it is really a tremendous example to young people on what education does early in their career, and how it focuses later in the career on public policy implications.

So I think you bring that to Regent University, and that is why we are extremely pleased and honored to have you
here, to be able to share at least a few minutes, and listen to
the great issues that you have facing you.

    I would leave you with one thing, and ask you from my
perspective, as you spend your days at Regent University. If you
really want to reinforce your faith in the most precious national
resource we have, and that is our youth and our future educated
leaders, take a chance and a minute to talk to a student around
here.

    I think just a few minutes of time with one of these
students will just tell you that this great country has a great
future, it is no different than it was in the past, and they are
going to take it to new heights. The people that you have
walking around these campus are the ones that are going to help
us do it, as well as those students in campus all over the
country.

    So, once again, welcome to Regent University, we are
really pleased and honored to have you here, and we will do
everything we can to make this a very, very productive session
for you.

    Thank you very much.

CHAIR JAMES: Thank you, Gen. Cerjan. And I also want
to welcome and acknowledge the First Lady of the University, Pat
Cerjan. If you would please stand and just allow the Commission
to see you, and to honor, and to recognize you. Thank you.
Prior to asking our guests to come forward I would like to note,
for the record, that we have all of our Commissioners present,
and therefore a quorum.