CHAIRPERSON JAMES: We will begin with the Senior Senator from Nevada, Senator Harry Reid. And again, Senator, thank you so much for being here.

SENATOR REID: Madame Chair, members of the Commission, when I was Chairman of the Nevada Gaming Commission, then Governor Brendon Burn (ph.) of New Jersey came to visit me and other Nevada Gaming officials. He was in Nevada to see if it would be possible for Atlantic City, New Jersey to open casino-type gambling. He was in Nevada because of its reputation for heavily regulated well run gambling operations. Nevada is an example for the world on how to fairly and efficiently regulate games of chance. I, therefore, respectfully suggest to this Commission that no matter what you may conceive your pre-ordered charge, you must look at gambling operations around the country, both legal and illegal. You cannot say your mandate is to look only at legal gambling because you cannot understand legal businesses without knowing the impact of the legal operators on the legal operators.

Gaming works well in Nevada for one main reason, proper regulation. The commodity in gaming is cash. This tends to invite problems. With the close scrutiny in Nevada and Atlantic City, the major criminal operatives likely have moved to the under or unregulated environments. If the people at the top want to cheat only the most sophisticated regulators can detect their schemes. If there is no or little regulation think of the potential for skullduggery.
You must also look at how the Indian Gaming Control Act has been stood upside down to its original intent by the courts. Remember the purpose of the act was to allow Indians to participate in any gambling activities in the state that non-Indians were entitled. Now the Indians in most jurisdictions can do gaming what non-Indians are prohibited from engaging in. You cannot complete your duties without reviewing the quagmire of Indian gaming regulation, which really I should refer to as Indian gaming non-regulation.

In this same context you must review the Secretary of Interior's attempts to widely broaden Indian gaming. His actions fly in the face of the National Governors Association and the Attorney General regarding a scope of gaming and the basic doctrine of states' rights.

I commend and applaud each Commissioner for your voluntary service to this most important national commission. Your responsibilities are significant. Hundreds of thousands of jobs depend on your conclusion. The integrity of proper regulation of a burgeoning industry is at stake. Most of all our city democracy is being tested. Each Commissioner is burdened with an exceptional challenge, but also great opportunity. I'm confident and hopeful you will meet your task as each of you are exceptionally successful in a broad range of professions and occupations. I feel here you can also be successful by using your education, experience, and common sense to do the right thing.
Thank you.

CHAIRPERSON JAMES: Thank you, very much.