UNITED STATES OF AMERICA

NATIONAL GAMBLING IMPACT STUDY COMMISSION

COMMISSION MEETING

MAY 17, 1999

The meeting took place in the Federal North Room, Holiday Inn on the Hill, 415 New Jersey Avenue, N.W., Washington, D.C., at 8:30 a.m., Kay C. James, Chair, presiding.

PRESENT:

KAY C. JAMES, Chair
WILLIAM A. BIBLE, Commissioner
JAMES C. DOBSON, Commissioner
J. TERRENCE LANNI, Commissioner
RICHARD C. LEONE, Commissioner
ROBERT W. LOESCHER, Commissioner
LEO T. McCARTHY, Commissioner
PAUL H. MOORE, Commissioner
JOHN W. WILHELM, Commissioner
TIMOTHY A. KELLY, Ph.D., Executive Director
KATE SPILDE, Staff
DOUG SEAY, Staff
CHAIR JAMES: Good morning. I’d like to call this meeting to order.

My name is Kay James, and I serve as the Chair of the National Gambling Impact Study Commission.

On behalf of my fellow Commissioners, I’d like to welcome our audience in this room for this morning and declare that we do have a quorum to conduct our business.

We would especially like to welcome our audience of viewers across the country watching these proceedings from either their home or their office.

The issue of legal gambling is an important public policy issue throughout America. Over the past several years, televisions and newspapers have recorded the considerable interest this issue is generating across the nation as citizens consider the debate and the expansion of gambling across their states and communities.

We appreciate the efforts of C-SPAN and CNN who have made it their business to provide coverage of this national dialogue and public policy process.

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 impact of gambling in the United States on governments, communities, businesses and individuals.

In June of this year, close to one month from now, we will report our findings to the federal, state, and Native American tribal governments. The purpose of our meeting today and tomorrow is to discuss potential recommendations for our final report. These draft recommendations encompass a wide array of issues ranging from gambling regulation, gambling and
addiction, Native American tribal gambling, and future research needs.

The discussion you will watch will center on specific proposed recommendations and concepts developed by the Commission.

Previously the Commission has conducted several meetings in Washington, D.C., visited Atlantic City, Boston, Chicago, San Diego, Tempe, Biloxi, New Orleans, and Las Vegas.

During the course of our visits, we’ve heard from dozens of national experts and researchers who have provided us with critical insights and important information.

We have received testimony from industry executives, government experts, and nonprofit organization leaders on specific topics, such as lotteries, casino gambling, and regulation, Internet gambling, pathological gamblers, and treatment.

In light of highly important issues, such as federalism, the authority of states under the United States Constitution, and tribal government autonomy, we’ve actively sought input from government leaders. We have invited and heard from numerous federal and state elected officials, including governors, mayors, and local leaders.

To date we have received valuable testimony and written comments from dozens of state governors, attorney generals, and other officials.

Further, we have received important testimony from the National Governors Association and Native American tribal leaders.

Above all this, and perhaps most importantly, we have had the opportunity to hear from hundreds of our fellow citizens.
whose lives and families have been shaped positively and negatively by the direct and indirect impacts of gambling.

Our study of this issue is very timely. Legalized gambling has grown nationally to a $600 billion a year industry activity with net revenues of $50 billion. The federal government last studied this issue in 1976 when gambling was legal in only a few states. Today gambling is legal in all but two states, and 37 states and the District of Columbia themselves operate some form of a lottery.

Gambling exists not only in destination resorts like Las Vegas, but in convenience stores, truck stops, on and near rivers, and in big cities and in small towns.

Many communities for different reasons are considering expanding into gambling activities. Each of the Commissioners has taken his job seriously and it is our hope that our work will be taken seriously as well.

But we are also realistic enough to realize the limitations of our work. There is a limit on what can be accomplished in two years, particularly when the existing research was so sparse. We committed half our budget, approximately $2.5 million, for original research, but that can only be a start.

It is my goal that we conclude on time and on budget, and that we establish parameters for the ensuing national discussion. It is our hope that our work will lay the groundwork for future research by both the public and the private sectors so that policy makers can have ongoing updates of useful data from which to make decisions.

Now I would turn to the task before us at this particular meeting. Today the Commission will consider draft
recommendations for six sections of the final report. These sections include Section 3, regulating gambling; Section 4, gambling and addiction; Section 5, technology and the future of gambling; Section 6, Native American tribal gambling; and Section 7, gambling’s impact on people and places.

Tomorrow we will focus on draft recommendations under Section 8, future research.

In terms of content, the draft recommendation document prepared for this meeting was developed from multiple sources, including notes and transcripts from previous Commission meetings and report subcommittee meetings. Staff prepared language that attempted to round out concepts of apparent consensus, and this language is found in each section under the header "Potential Consensus Recommendation."

In this section, it’s important to make the distinction that there is both a consensus concept and proposed consensus language. Specific language was used where it was available.

Consensus subcommittee recommendations appear under their own header in some sections. Individual Commissioner suggestions appear under the header "Recommendations from Individual Commissioners." Staff researched notes and Commissioner correspondence for these draft recommendations, along with the review of transcripts from the March and April meetings. Transcript cites are provided at the end of May of the proposed recommendations.

Each draft recommendation was put into a consistent format that begins with "the Commission recommends," followed by either the proposed or the specific language.

As I’ve previously indicated, this compilation may not be all inclusive, but I assure you that every effort was made by
staff to include recommendations and concepts forwarded or articulated since January of this year.

I fully respect the contributions each Commissioner has made to the report development process, and to assure fairness, I sought to include each potential recommendation in this document. At a minimum, this document provides much greater detail on potential recommendations than we have had to date.

After reading through the document, I had several personal observations. First, many of the recommendations are quite similar. Some are worded better or more specifically than others. I would encourage Commissioners, if acceptable, to withdraw a draft recommendation if the Commission adopts a similar recommendation which accurately captures the same concept.

Second, several of the suggested draft recommendations are simply statements or commendations rather than actual recommendations. While these recommendations may reflect suggestions or opinions that have been expressed, I believe the Commission should eliminate them from consideration or they should be withdrawn, but they are included in the document for your consideration.

Third, a significant number of the recommendations are well suited for more than one section of the report. I would suggest that we use our time at this meeting to settle on which recommendations we have consensus on instead of where they will appear in the actual document.

We can come away from this with the actual recommendations we can then look at and then decide where they actually should fit.
Fourth and finally, I fundamentally believe that the weight and impact of the Commission’s final report will be far greater if there are far fewer overall recommendations. The total number of draft recommendations contained in Section 3 through Section 8 total 198.

Today we are presented with a total of 123 draft recommendations for Section 3 through Section 4. Due to the large volume of draft recommendations, we will need to work as efficiently as possible to move through each section.

I would encourage you to refer to the work sheets provided to you in advance to keep track of your comments and decisions on the draft recommendations.

In terms of process, I will begin to read each recommendation. I will then see if there is a motion to adopt and if there is, in fact, a second.

If there is no motion to the recommendation or if there is no second, the motion will fail, and we will move on to the next recommendation.

If a motion to adopt is made and seconded, then we will discuss the draft recommendation. Following discussion, Commissioners may move the question, and it will go to a vote.

I will reserve time at the conclusion of this meeting or tomorrow morning, depending on how many we have, to review any recommendations that are tabled for later discussion.

At this time, I’d like to request the cooperation of my fellow Commissioners and to thank them again for their hard work over the past many months and to thank them in advance for the tough job we have in front of us today.

If you would then please turn to the draft recommendations document, and we will begin our process. Unless
there are some opening comments or statements by any of our
Commissioners, we’ll get right to work.

Commissioner Wilhelm.

COMMISSIONER WILHELM: Good morning.

CHAIR JAMES: Good morning.

COMMISSIONER WILHELM: I apologize for coming in late.

I appreciate the tone and direction of your comments
just now as well as your overall efforts. Notwithstanding the
guidance that you’ve attempted to offer us, I’m a little puzzled
by how it is we’re going to proceed with these recommendations.
I would have hoped that there would be far fewer of them, and I,
frankly, think that it’s puzzling to those among us who have only
submitted a relatively small number of recommendations whether
each such Commissioner should go back and submit another 50 or
60.

No, I’m not being facetious. I think this is very
difficult.

Secondly, each and every one of these, I think, bears
discussion, and I don’t understand how we’re going to do that.

Third, there’s a good many of these that I at least do
not recall, and I certainly don’t pretend to have total recall at
all, but I at least do not recall where it is in our record that
there’s something to support this.

It seems to me, just as a matter of procedure, that it
would be improper, or "inappropriate" would be a better word,
inappropriate of us to adopt recommendations that sort of happen
to be what different ones of us happen to think as distinguished
from something on which we’ve built a record.

As I go through these large number of recommendations,
I can think of many that have support or, in fact, that have
contradiction in our record, but many, many of them, I think, have no support in our record, and I don’t quite know how to wrestle with that.

Finally, I would just echo what I believe is the wisdom of your comment, that in the cover memo that we would be better served in terms of hopefully having some impact, to coin a term, if we had a relative handful of recommendations that would address the primary areas that we are concerned about, and I wondered if either you or anyone else had some theory as to how we get from this hodgepodge to that, I think, rather laudable suggestion.

CHAIR JAMES: My recommendation, John, is that as we go through this process, there are many, as I said in my opening statement, that I don’t even believe are, in fact, recommendations. They are more appropriately labeled comments or commendations, but in fairness to the staff and in terms of my job, any recommendation that came in from a Commissioner needs to be brought before the body, and we need to decide as a group what to do with it. That could not be a staff decision.

So I am hoping that as we go through this that those kinds of challenges can be made, can be discussed, and they can be dispensed with.

COMMISSIONER DOBSON: Madame Chair.

CHAIR JAMES: I agree. I would much prefer to face the day with 50 in front of us instead of 123.

Commissioner Dobson.

COMMISSIONER DOBSON: Madame Chair, I certainly agree that we should be as succinct as possible, and that we shouldn’t fill the report with a lot of unnecessary comment, but I disagree
that we should, if that’s what’s being suggested, that we limit
the things that we believe and the things that we’ve found.

It’s been something on the order of 20 years since
there’s been a commission on gambling. It may be 20 more before
this is looked at again in this same way, and it’s a complex
issue. We’ve all agreed with that, and I think it would be a big
mistake to try to delimit what we’re going to say if there are
matters that this Commission feels strongly about.

So I’m not in favor of a tight delimitation on what
we’re here to say.

CHAIR JAMES: Commissioner Wilhelm?

COMMISSIONER WILHELM: In terms of recommendations that
I personally have had an opportunity to work on, there are two
areas here. One is the recommendations that emanated from the
Indian Gambling Subcommittee, most or all of which have the
unanimous support of the subcommittee, and the others are six
that have to do with economic impact and jobs.

I started early today rather than waiting until noon
with the word.

(Laughter.)

COMMISSIONER WILHELM: But I would want to -- and I
don’t say this with any desire to make things worse than they
already are -- but with respect to the six that I submitted, I
was attempting by my own limited standards to engage in
restraint, and it’s obvious that some other Commissioners have
engaged in restraint here with respect to issues that they’re
vitally interested in.

So I would want to just say that if it appears as
though we’re not going to be able to somehow limit the number of
things that we’re trying to say here, than I would want to
reserve the right, and I’m sure other Commissioners might as well, to submit additional recommendations that I think are relevant if we’re going to get into a lot of detail.

CHAIR JAMES: John, I would ask that you bear with us through the day. See how the process goes, and we may have to look at an additional process or something by the end of the day. Hopefully that won’t be necessary.

COMMISSIONER WILHELM: I would comply with that request.

CHAIR JAMES: Any other discussion? Commissioner Lanni.

COMMISSIONER LANNI: Yes, Madame Chair. I think part of it, if I understood John’s question directly, one of the concerns that I have is it may be that a majority of this Commission or maybe even on a unanimous basis the Commission might vote in favor of a proposal for which the evidence that has been gathered from either NORC or National Research Council or other bodies does not necessarily comport with that, and if we do, I think that needs to be explained why we would have reached a conclusion that was not supported by the evidence that has been gained from the research.

I think that was one of the points that John was raising.

CHAIR JAMES: I think that we will have the opportunity to raise those kinds of issues during the discussion period for each recommendation.

Any other comments before we get started?

(No response.)