CHAIR JAMES: Okay, we’re going to start this afternoon -- and I hope everyone had a good lunch -- with future research and then after we complete that we will then move into some other areas looking at process and where we’re going.

COMMISSIONER DOBSON: Madam Chair, will social impact be dealt with today?

CHAIR JAMES: I’m sorry, that’s what we did right before lunch when we were looking at the impact on people and places.

Jim, that was the chapter that John commented on and I said please give me the opportunity since many Commissioners had given input in writing to work through that. If you would like to make comments on that before we move on, that’s fine.

COMMISSIONER DOBSON: No, no. That’s people and places chapter, right?

CHAIR JAMES: Yes.

COMMISSIONER DOBSON: I’m talking about the social impact of gambling.

CHAIR JAMES: That’s in that chapter.

COMMISSIONER DOBSON: And you’re going to hold that whole thing?

CHAIR JAMES: That’s correct.

COMMISSIONER DOBSON: Correct.

COMMISSIONER McCARTHY: Madam Chair, and members of the Commission, would you please -- thanks -- you were given a second draft, something labeled an additional draft language, a second draft last night. If we could please work off that.

I’m not going to touch on a couple of obvious typos. They’ll be corrected.
I do have a couple of changes that I want to give you that -- a couple of which are important. So before I begin to talk about this, if you would please turn to page 6. I'm sorry, bottom of page 5, the very last matter on that page, starting with 15. Would you please strike 15 and then the top of page 6, million or more American gamblers. Will you please strike that.

So the very last part of page 5, the word, the number 15, got that?

(Chatter.)

It's in my binder so presumably it's been put in everyone's binder.

The second draft that I tried to identify a minute ago.

COMMISSIONER DOBSON: That's the same problem I had yesterday.

COMMISSIONER McCARTHY: This is not complicated. Let me help. Second draft. The one that says on it second draft, April 27, 1999. It's in your binder.

(Chatter.)

COMMISSIONER BIBLE: It says additional draft language.

COMMISSIONER McCARTHY: That's right. What's the date on it?


COMMISSIONER McCARTHY: It says 4/26? We need a couple of copies. A couple of members didn't get it.

(Chatter.)

CHAIR JAMES: April 27th.

(Chatter.)

COMMISSIONER McCARTHY: Who has April 27th, second draft, April 27th.
CHAIR JAMES: I do.

COMMISSIONER McCARTHY: That’s correct. Bob? Bill, have you found it? Anybody else not, not --

(Chatter.)

CHAIR JAMES: I think all Commissioners do have it. They just need a minute to find it.

(Chatter.)

COMMISSIONER McCARTHY: Okay, could you please turn to page 5? See the very last item on that page? 15, the number 15. Everybody got that? If you please strike that. Does everybody have that?

EXECUTIVE DIRECTOR KELLY: There must be three versions of this.

COMMISSIONER McCARTHY: Page 5. I’m on the April 27-28, second draft, April 27.

EXECUTIVE DIRECTOR KELLY: Draft, chapter and --

COMMISSIONER McCARTHY: Look to see if it says second draft. Does it say second draft?

Second draft are the key words. Okay? Okay, is everybody looking at a second draft.

CHAIR JAMES: We’re there.

COMMISSIONER McCARTHY: Please turn to page 5 in that. The very last item, the number 15, okay? Everybody looking at the number 15? what do you want to bet?

Strike 15. Turn to the top of page 6 and please strike the words "million or more American gamblers." Okay?

Now the only other thing we have to worry about is that the reference to Schaeffer and NORC is reversed so that it relates to the two numbers I used on the previous page on the last line. 5.3 million to 5.8 million. Because the 5.3 million
is Schaeffer. The 5.8 million is NORC. Okay? And I simply
added the word "respectfully" at the end of that sentence. So we
tie it together. Does everybody understand.

COMMISSIONER WILHELM: Why don’t you read it?

COMMISSIONER McCARTHY: Sure. Starting on page 5, the
beginning of that sentence, "NIMH should establish a panel of
experts in the fields of problem gambling, treatment and
research, including treatment providers and epidemiologists to
commence a study of the estimated 5.3 to 5.8 million past year
American adult gamblers that Dr. Howard Schaeffer of the Harvard
Medical Center characterizes as Level 2 and that NORC describes
as "at risk" respectively."

Are we together?

On page 6, this is a one word change. Second -- pardon
me, first full paragraph, fifth line that ends "toward no risk."
The word "no" should have been diminishing and that is a Howard
Schaeffer recommendation. "Toward diminishing risk."

Please turn to page 7. These are both in the first
full paragraph, one, two, three, four, five, six, seventh line,
the sentence that begins "Services that merit study" should have
been "Services that merit support." Do you find it? Terry?

COMMISSIONER LANNI: I think I have a copy, but go
ahead. I’ll pick it up. We should do this by color, it might be
helpful.

COMMISSIONER McCARTHY: These are not important
changes, but they’re sensible changes.

Last sentence in that paragraph should have been
introduced by "In addition to the general treatment population
comma studies should involve" and so on.
Toward the end of that sentence, the word "or" should have been "and."

That’s it.

Now the people that I talked to, do we have those changes? The people that I talked to in preparation of this since the chair gave this to me about 10 days ago were four people at the NRC, Howard Schaeffer, Richard Rosenthal, I’m trying to remember Dr. Winner’s first name. I just blanked on it. He didn’t return the call yet anyway. And Sam McQuaid, the program director.

I talked to at NORC to Gerstein and Volberg who did consulting work for them. In addition, I got help from Peter Reuter. I phoned Bill Edington. He’s given me a couple of good ideas.

Incidentally, I should mention I think this is about 80 percent done, but not completed. I have material from Edington who consulted with some of his colleagues at UN Reno.

I talked to two federal officials that work in research departments for guidance on how we try to channel this so we have some defined sense of direction.

The basic strategy in the research program obviously is to try to wherever possible identify existing research that the Congress has already funded and designed or at least directed certain agencies to design with final congressional approval dealing with other disorders.

The most obvious one being substance use so that the proposal would be to add a gambling component to on-going or existing research. There obviously are going to be occasional times when there is no research in an area that this Commission collectively will believe that there ought to be some research
in, in which case we would simply ask the Congress to authorize
the most appropriate and there may be two, national institutes we
want to identify as the most appropriate for Congress to consider
assigning this task to.

In listing the areas of research, I do not suggest that
I have covered every single area that needs to be covered. I
think I’ve tried conscientiously to go back over a lot of the
material that’s been produced, the NRC report, the NORC report
that I’m aware that there are clearly several important things
missing from here.

I’ve tried to invite individual members of the
Commission to submit to me their best thinking and I appreciate
the last 10 days, two weeks have been so hectic for everyone that
I can easily appreciate there hasn’t been an opportunity to do so
yet and I want to renew that request over the next several days.
Please give me your best thinking and we’ll try to talk it out.

What I tried to avoid in this was listing 100
recommendations for research. Just as some of us believe the
total report should be pretty succinct and not 200 to 300 pages
long, I also have a personal feeling, subject to the will of the
rest of the Commission that we shouldn’t have an overly lengthy
list of research reports, but that is totally subject to
discussion and to your wisdom. Thank you.

CHAIR JAMES: Thank you. With that, we’re open for
discussions on the future of research.

COMMISSIONER LEONE: I have three points. First, there
are a number of topics relating to economics that I think should
be in our future research agenda and I would rather give them to
you on paper and circulate them to everybody than try to spell
them out.
The second comment is -- I’m going to reverse the order of these because I think I want to leave the one we may want to discuss until last. The second comment is I think that the way to obtain brevity and balance of this chapter is maybe to focus on questions we want answered rather than the specific kinds of research and how it might be structured.

I think the one place where you can carry that a little further because we have a relationship with all these experts is in the area that -- where you’ve done that, Leo, but I think on some of the other questions we don’t have the people to go to to talk about a variety of economic questions.

The third question though I had raised it at an earlier point. This issue, given the way Washington works, who is going to compete every year in the budget process for the money to do research on the social and economic impact of gambling in the United States?

My concern is that the way we -- the way things actually work in this town, that unless somebody has an institutional interest in that, that they probably won’t make it part of their testimony or be the first thing to go when they ask for money. I don’t propose, necessarily, creating a new research organization, but I wonder if we can be more specific about adding it to the legislative, the statutory charter of one of the existing organizations that -- one or more who gather information and studies in the United States.

When that has happened in the past, for example when aging got to be a part of the work at the National Institutes of Health, National Science Foundation, a whole -- there was a flowering of research about it around the country because it became a regular part of the process and it has gotten into topic
like why people retire at 62 and why didn’t they retire earlier or later and I just think if we could -- I don’t have the formula, but if somebody could take a look at places where this might be located and what they’re existing mandate is and whether we could propose that their mandate be broadened and legislation be introduced to do so, I think that might be --

COMMISSIONER McCARTHY: Let me answer the question so we have some continuity, if I may. I totally agree with what you just said. I spent some time trying to phone people to identify who, which one or two national institutes or whether agencies -- although you know generally it’s the national institutes that do most of the research.

Which ones have been doing analogous research in the past, so I just totally agree with what you’re saying. And if somehow we persuade Congress with one voice and a balanced research program to fund this exactly what you said is going to happen. You will have scholarly people from around the country wanting to do this research. That’s what’s been missing up to now.

COMMISSIONER DOBSON: You’ve really answered most of my question. I would assume that this would go through NIH or NIMH and once the money is there, the scholars will show up because they tend to follow the bread and if we could get it linked into one of those institutes, I think we’d be able to get that.

COMMISSIONER WILHELM: Okay.

CHAIR JAMES: Oh yes, John.

COMMISSIONER WILHELM: In addition to the NIH and the NIMH that Jim mentions, obviously that addresses part of the subjects that fall within the Commission’s purview, namely the social impacts. I don’t believe, unless I’m mistaken that either
of those departments is particularly well suited to do the economic piece.

Richard has repeatedly made the point, I think correctly, that just as there is a lot of things we don’t know about the social impacts, so there are lots of things we don’t know about the economic impact. We don’t have the quality of information we’d like about the economic impact even regionally and certainly not nationally.

I don’t off hand know the proper either governmental organization or independent organization that ought to take a look at that, but I certainly agree with Richard that we should make an attempt to identify that piece as well as the social piece.

CHAIR JAMES: You know, one of the things that we said in an earlier meeting was that we needed two things. We needed research, but we also needed collection of data and in that discussion, John, we talked about the fact that the Department of Commerce may be a good location for the collection of some of the economic data and I’m still at a loss as to where it would be a good place to do some of the economic research.

Any suggestions?

COMMISSIONER LEONE: Well, I think the BLS, I think the National Science Foundation, actually National Institutes of Health support certain kinds of economic research.

I wouldn’t want to do it off the top of my head, but there’s millions and millions of dollars spent on studies on how to maximize economic growth and jobs and other things in the United States, financed by federal agencies.

COMMISSIONER DOBSON: How about Commerce?
COMMISSIONER LEONE: Well, Commerce, BLS is one of the places I mentioned. I think those are -- we have to take a look at that and come up with an answer.

COMMISSIONER McCARTHY: I was asking in a couple of these research choices what the Department of Labor did in these areas in terms of its research or it if commissioned out research and one of the areas at least there’s a possibility that the Department of Labor could perhaps do it in its entirety or do it in partnership with another institute, although I hate the idea of splitting it into two places. We really ought to assign it to one and just try to make sure they have the balanced staff on hand.

COMMISSIONER BIBLE: Well, to some extent you do that in your sixth item, your last item where you’re talking about the National Research Council analyzing estimated economic benefits and costs.

CHAIR JAMES: And while recognizing the benefit of research being done at the federal level, I also don’t want to leave the States off the hook and there are some issues that may be better studied at the State level and would encourage us to include a strong statement there as well.

COMMISSIONER McCARTHY: Well, you’re totally right. Certainly every state should do a prevalence study of its own and hopefully a well prepared prevalence study and I think even from the experience we’ve had, perhaps they examine it, they’ll be better able to prepare a prevalence. It doesn’t have to be done exactly the way we did it, but I’m saying there are enough guides there for them to construct a good study.
There could be other things as well if we would want to ask the States to undertake this research and we have not gotten to that in this part.

But this information or any major part of it would be very usable by federal, tribal and State leaders.

CHAIR JAMES: John?

COMMISSIONER WILHELM: I won’t disagree with your point about the States, Kay, but there is a problem which we’ve seen repeatedly in our discussions which is that I would speculate, I think with some foundation, that if a State government made a study of any aspect of gambling, whether it be prevalence of problem gambling or whether it be economic impact in that State, and found the sorts of results that might not be pleasing to one interest group or another, one point of view or another, they immediately would be attacked.

In the case of a State that, for example, might hypothetically conclude that there’s some economic benefit to gambling, they immediately would be attacked because people would say well, that’s because they get all this tax money from gambling, therefore they’re not objective.

So I don’t disagree with you about State responsibility, but I think the States are kind of in a damned if you do and damned if you don’t situation to some degree. I mean this is just an example. The State of Virginia where they produced a study that said that the lottery was bad and they say well, you’re hypocrites. You run a lottery and you get money from it.

On the other hand, if they were to produce a result that said, a study that said that lotteries are good, people would say well, that’s not objective, you get money from it. I
think the same thing applies up and down the line. I think it’s a problem.

CHAIR JAMES: I guess I was more responding to the collection of data that could give some insight into where we are with this issue and I guess I hesitate to leave the full burden at the federal door because then you get federal solutions.

COMMISSIONER WILHELM: That make sense.

CHAIR JAMES: And so that was sort of behind my comment and wanting to make sure that we kept it closest to the people.

COMMISSIONER WILHELM: That makes sense.

CHAIR JAMES: Any other guidance or suggestions, feedback as Leo finishes?

COMMISSIONER McCARTHY: May I mention one other thing?

CHAIR JAMES: Certainly.

COMMISSIONER McCARTHY: You’ll notice on number 6, because I was having difficulty finding one department that could do the kind of complete job that I think everybody would be satisfied with, I had difficulty in identifying that one department. So therefore, I don’t know if this will work or not. I thought that the entire issue of trying to develop the economic benefits and costs of legal gambling should be given to the National Research Council, asking them to authorize a study.

I’ll give you one subjective point of view. They commissioned one paper that was done by a Professor Kurt Zorn at Indiana University and I thought it was the best attempt I’ve seen, which means it’s enough to displease most people on both sides, but it was a very intellectually honest and vigorous effort to try to point out, to define what was needed to do an honest balanced study of this issue.
Frankly, I couldn’t identify one specific national institute that might do this, so the search is still on. That’s why I thought of the NRC. Although they don’t do a lot of original research, they have already done some work in this area, so maybe this could be defined in a way that would allow them to do an extension on some past work that they’ve already done.

I don’t know, I’ve exchanged calls with Carol Petrie and haven’t put that together yet, but I wanted you to know that. That one was a very difficult one to try to define.

CHAIR JAMES: Any other comments on this particular subject?