MR. GRIFFITHS: Thank you very much, Madam Chair and members of the National Gambling Impact Study Commission. I believe that the research proposal outline that we prepared has been submitted to each of the members, and therefore I will limit my remarks to a broad overview of that proposal and leave the balance of my time to answer specific questions.

Let me begin by saying that the members of my Commission welcome the opportunity to participate in the important research assigned to this Commission. ACIR is a bipartisan intergovernmental body. Our membership comprises Congressional members appointed by the majority and minority leaders of the House and Senate and presidential appointments of governors, state legislators, county commissioners, mayors, and private citizens.

For 38 years, ACIR has monitored our federal system of government. Recommending improvements ranging across constitutional, fiscal, and program relationships. ACIR's research is widely respected and used by public officials, academic, and research institutions.
I believe that ACIR was included in the gambling legislation because all of the research tasks identified with our Commission involve intergovernmental or governmental concerns and activities. ACIR's unique membership and research experience makes the Commission well-suited to those tasks.

Now ACIR's role is solely to collect and analyze data and submit the results of that research to the Gambling Commission. It is left to the Gambling Commission to interpret this research and make recommendations accordingly. However, together I believe this process will provide valuable information and provide valuable guidance to governmental decision makers.

The legislation has four research tasks which mention ACIR's involvement. The research guidelines or the research questions that were passed out this morning I believe you will find that A, B, and E are the ones which in Section 4 mention ACIR involvement, and the other is the task A under Section 7.
The first task includes a review and cataloging of the diversity as well as the similarity of laws and regulations adopted or under consideration by federal, state, local, and tribal governments related to gambling activities and facilities. Among other things, this review should provide a better understanding of how governments address gambling across political geography and cultures.

I might add also that one of the questions that was raised in the paper I saw this morning talks about model laws and model regulations. This first task that I am talking about would be the ideal task under which to gather those types of models.

The second category involves a review of governmental policies and practices related to the legalization or prohibition of gambling. This research focuses on the objectives and the rationale behind the laws and regulations that would be identified under the first task.

For example, public policies can vary in their attempt or their objectives to discourage, constrain, or expand gambling activities, to generate
new or additional revenues, to offset revenue losses from gambling activities in adjoining political jurisdictions, to promote economic development and employment or to combat illegal behavior or problems of gambling abuse.

Now the legislation has one specific task that singles out a public policy issue for particular attention, and that issue is the relationship between gambling and crime. This relationship is certainly a fundamental reason for government involvement in the regulation of gambling. This task also includes an assessment of the enforcement measures taken by governments to address that relationship. This relationship not only touches on individual enforcement efforts or jurisdictional enforcement efforts, but also cooperative efforts between governments.

And the third category includes a fiscal analysis of the public revenues and costs associated with gambling. An essential aspect of this research is a better understanding of the net revenue benefit to governments from gambling after adjusting for the
cost of policy formulation, enactment, and enforcement. Cost adjustments, by the way, also include some other services such as public infrastructure, social services, foregone revenues because of gambling activities, and so forth.

For each of the research tasks discussed in our proposal, we have listed questions that need to be answered by this Commission in order to determine the parameters of the research to be undertaken, and some of those questions are repeated in the paper that I saw this morning.

For example, the analysis of revenues and cost can extend from simpler assessment of direct cost, which don't take as much time to analyze as the more complex examination of indirect cost, which can take considerably more time to research.

There is also another research task in the legislation which is not specifically associated with ACIR, but which is intergovernmental in nature and of interest to my members. This task involves the assessment of interstate and international effects of gambling by electronic means, including the use of
interactive technologies and the Internet. This subject is one that states are dealing with increasingly, which is fraught with difficult issues, the resolution of which may have dramatic implications for intergovernmental relations in the future. In addition, the research for this task overlaps the research of the other tasks which I mentioned above. Again, for example, a full assessment of electronic gambling should address public policy considerations, laws and regulations, enforcement capabilities and practices, attention to revenue and cost concerns, as well as federalism issues related to proper roles and relationships between governments. Because of this importance to government as well as the overlap with other research tasks, ACIR would like to be considered for participation in this research task.

As I have said, the research tasks overlap one another. None of these are mutually exclusive. As such, ACIR's research approach will be from a comprehensive perspective using coordinated team efforts. For example, the research methodology will
employ techniques such as literature search,
questionnaires and surveys, and field visits. Rather
than applying these techniques on a task by task
basis, they will be coordinated across tasks. This
will permit the sharing of data and analysis as
appropriate. Equally important, research efforts can
be undertaken more economically and with the least
intrusion upon government officials and others
contributing to the research.

Now the time table which we have shown in
our proposal spans the 15 months called for in the
legislation. During this period, we would expect to
provide periodic progress reports to the Gambling
Commission, including any briefings that may be
requested.

Now our proposal also contains or shows a
budget of $1.4 million. That, of course, is only an
estimate based upon our initial assessment without
having talked with this Commission, and so therefore
has to be seen as an estimate. The final budget,
which must be negotiated and approved by this
Commission, will have to reflect the policies and
objectives determined by the Gambling Commission as well as the parameters it sets for each of the research tasks.

Now our proposal also identifies a number of highly qualified experts to participate in the research. These individuals are experienced in public policy and intergovernment research and several have had previous experience in one or more facets of gambling. Now I might say here parenthetically that that listing of researchers is a pool that we are very familiar with that we have dealt with in the past, but there are others which are not necessarily included. In any case, we would have to bid the research and therefore a combination of those people or additional people or whatever could eventually be the final people working with the ACIR.

In closing, I appreciate this opportunity to present an overview of ACIR's research approach. I want to thank the Commission for its time and consideration. And at this point, I would be happy to respond to specific questions about anything I have said or anything contained in our outline research
CHAIRPERSON JAMES: Thank you so much. I would like to open it up at this point for questions from the Commissioners, and I would like to start if there are any comments or questions from those particularly on the research subcommittee or committee.

COMMISSIONER DOBSON: Thank you, Mr. Griffiths. I appreciate your report. I would like some clarification of some of the details. It is my understanding that the ACIR is currently disbanded. Is that right?

MR. GRIFFITHS: No, sir. Last year on September 30, we closed our doors because there was language in our appropriations bill that told us to close our doors. On October 8, the Congress changed its mind and passed legislation which in effect continued the commission. It took a while for the legal interpretations of that and all. The GAO did a legal interpretation. And basically what it said was that we never closed down. But it took us until April of this year to get back up and running again. The
commission has met. It met on May 13 and voted to participate in this research and, therefore, we have an ongoing commission.

COMMISSIONER DOBSON: The list of names of people that are participating or at least were originally includes mayors and governors and people of that nature. What biostatistical and research expertise exists there? Because I don't see it on that list.

MR. GRIFFITHS: Are you talking about the list in our proposal?

COMMISSIONER DOBSON: Yes. That was in our preparation book. You had a list of all the people that you made reference to just a minute ago.

MR. GRIFFITHS: You are asking what their expertise is?

COMMISSIONER DOBSON: Yes. I mean, this is obviously a very complex subject that we are approaching, hopefully in a scientific way. Governors and mayors and people of that nature typically don't spend their academic years preparing for that kind of technical work.
MR. GRIFFITHS: Well, there is a
difference between our commission and the people who
will be doing the research for us. Now our
commissioners are obviously public officials. Their
expertise is they have worked in government a long
time, they have served in government, and they have
been elected leaders and they are the kind of people
who will have to make decisions based upon the results
of the work of a commission like this. The people we
are talking about doing the research are people who
have worked on staff who have Ph.D's and who have
served many years in various public policy fields.
They have experience in intergovernmental research,
public policy research, fiscal research. There is the
econometric expertise. They have worked in laws and
regulations. They have studied the enforcement of
laws and regulations. They have had all of the
experience that is contained within the tasks which
are listed for ACIR.

COMMISSIONER DOBSON: Those are people to
whom you would subcontract this work?

MR. GRIFFITHS: Correct.
COMMISSIONER DOBSON: So really what ACIR is is, pardon me, but a bureaucratic level between us and the researcher?

MR. GRIFFITHS: It would be in the same framework of the NRC. The NRC does not do its own research. It goes out and contracts with experts that they know and that they coordinate and control. We at one time, of course, had a rather large research staff and we did our own research, but we have always contracted out various elements of research. I mean, you never have on staff all of the expertise that you need. What we bring to the table at this point is we have -- for instance, I have 25 years of intergovernment research. I have done tons of it. I know it. I understand it. And I know a lot of people that have the expertise and who have done the kind of research we are looking for. Our role would be to coordinate that research. There is a lot of value to a group that can make your research more economical as well as effective. You can go out and hire a hundred different individual consultants and then have to coordinate 100 different consultants, which is a
difficult task to do. I have done it both ways.

COMMISSIONER DOBSON: So that is what we
would be receiving from ACIR is a coordinating effort.
Give me your best answer as to why we would not be
better off dealing directly with the researchers and
the technical community instead of dealing with mayors
and governors and public officials?

MR. GRIFFITHS: The element that our
commission brings to this -- and I will answer it in
two parts. The element that our commission brings to
this is that we have congressmen, governors,
legislators, mayors, and county commissioners all
sitting around the table. These are the people you
have to sell. These are the people that are going to
buy whatever you come up with. And we have a
commission of those people sitting around the table
who is going to be looking at the research being
conducted. They will obviously acquire some type of
attitude or opinion as to the validity and all of what
is going on. These people, in turn, then sell others.
I mean, they are the ones who will be talking to the
Congress and talking to others about the work that is
done. Normally our commission makes recommendations. In this case, they will not. But nonetheless, the point is that in your public hearings, you are going to want to talk to every group of people that is represented around the table. So I guess my point is the ACIR in effect is a microcosm of the public infrastructure -- excuse me, the political infrastructure that you must sell. That is the first answer.

The second answer is that we have done the kinds of research that is in the law. They have been doing this for 38 years. I have been doing it for 25 years. We know what is involved. I know people in every state that must be contacted to do fiscal analysis. I know most of the people in the governors' offices. I know the people in the non-profit sector that can be of help. The people that we will employ are people who have worked with ACIR in the past or who have intergovernmental research experience. We have used these people for many, many years. I mean, it is a large pool of them. I probably know more about that and how to get to them quickly than say
people here or even staff that you may hire. So there
is an efficiency aspect as well.

COMMISSIONER DOBSON: I may not yet fully
understand how you would function with us. But if you
will pardon me, that seems to me like having a medical
problem and needing the help of a physician and so you
go to a non-medical person and say talk to the
physician for me and let him tell you what he finds
and then you come back as a non-medical person and
tell me what the tests show. The people that I saw on
that list are not researchers. I would rather hear
directly from the researchers, speaking for myself,
and it feels to me like that ought to be a whole lot
less expensive because we are not supporting a level
of bureaucracy in-between.

MR. GRIFFITHS: Well, actually, I am not
sure what people you are referring to. Everybody on
that list had a doctorate and was a researcher. I
guess I was on that list and --

COMMISSIONER DOBSON: I am talking about
the mayors and the --

MR. GRIFFITHS: Well, of our commission,
yes. But they are not the ones that are going to be doing the research.

COMMISSIONER DOBSON: I thought I understood you are going to subcontract the research.

MR. GRIFFITHS: Yes, that is correct.

COMMISSIONER DOBSON: So you don't have people on your list who are going to do the research. You are going to go get them.

MR. GRIFFITHS: That will be the major part of it, yes. I will be doing -- I will be participating obviously. I am on the commission. Donna Schwartz, who is on the commission with me and whose name was in there, is one of our researchers and she will be working in there. But, yes, the majority of the research will be contracted out, as is done -- when ACIR had 20 or 30 research people on staff, various public policy issues require various types of expertise, and we always had to contract out no matter who we had on staff because you never had quite the right person.

COMMISSIONER DOBSON: One more question, Madam Chair. The meeting that you held in May dealt
with some of these proposals as I understand it, and there was a mention in there of a potential cost for your service of $20 million. That is in your transcript. Would you address that?

MR. GRIFFITHS: Yes. The people we talked with when we were going through the four tasks, we asked them to give us, without any limitations or preconceptions, what do you think it would cost to do an excellent job in each of those areas. In some cases, they came back and said this could cost $15 million or $20 million. Some people at the NRC apparently told your committee or subcommittee, whatever you are calling it, that if you do a prevalence study and it took two years, it could cost you $15 million.

COMMISSIONER DOBSON: This is in the word-for-word transcript of your meeting. This was not what was communicated to us. This was in your meeting.

MR. GRIFFITHS: No, I am saying -- you asked me what it meant. I am saying the comment was made that there are people who believe that you should
take two to five years to do this research and that it
would probably run you $15 million or $20 million.
Obviously the comments, if you read after that, we
said that is obviously impossible. It can't be done.
We are going to have to come up with some way that is
far better than that. That was just a comment made.

COMMISSIONER DOBSON: My final comment is
with regard to the statute, as I understand it, which
calls for your commission to assist us in this regard.

MR. GRIFFITHS: Correct.

COMMISSIONER DOBSON: But you would agree
that the actual workplan and the obligations that we
would give to you are to be determined by this
Commission and not by the statute?

MR. GRIFFITHS: Absolutely.

COMMISSIONER DOBSON: Thank you.

CHAIRPERSON JAMES: Questions from other
Commissioners or comments? Mr. Loescher?

COMMISSIONER LOESCHER: Madam Chairman, I
am very supportive of the Advisory Commission on
Intergovernmental Relations. You have a very
prominent position in the statute that enables this
Committee. I had a couple of questions, though. One is are tribal governments a part of your intergovernmental commission and is there a way to provide tribal governments a role in your commission as you conduct the oversight of the work?

MR. GRIFFITHS: We do not have any Native Americans on our commission. That has been raised before in the past. In fact, a couple of bills were submitted to that effect, but that is not the case yet. The way -- I believe, I think, in the paper that we provided to you, the process we go through in developing a research undertaking -- the first thing we do is conduct what we call a thinker session, where we bring in all of the relevant interests to a research objective and talk about what the critical aspects of the research are and what should be covered. These are expert practitioners that can advise us as to how best to go about doing what we have to do. In this case, that would include federal, state, local, and Indian or tribal government representation as well as interests that are for or against the issue, whatever the case may be. And then
towards the end, we conduct what we call a critic
session and that is after we have gone through all of
the work. These people come in and say whether they
think we have addressed everything we should address,
whether we did it in the right way, effectively, or
whatever. And then we try to include the results of
that in our final report that in this case would be
submitted to the Gambling Commission.

So to answer your question, we do not have
any at this time, but they would be included as part
of the research process.

COMMISSIONER LOESCHER: Madam Chairman,
just two more. One is in your paper, and I need to
study it more -- I read the earlier paper that came in
and then this one -- and I was interested in how the
Advisory Commission would deal with studying
information beyond the Internet, the library search,
or whatnot, and could you help the Commission with
confidential and secure data that comes out of the
federal departments and agencies? How would you
parallel that information into your work?

MR. GRIFFITHS: I am not sure what you
mean by confidential. This is not part of the subpoena power you are talking about?

COMMISSIONER LOESCHER: No.

MR. GRIFFITHS: We had, I think, several techniques which we would probably use. By the way, one of the reasons for the techniques we have been considering is the very issue of money and time. You know, we want to--our methodology would utilize literature search, questionnaires and surveys, and site visits. Now site visits generally are where you try to do original research. You don't have a lot of time to do a lot of original research here for obvious reasons. And it is also the most costly aspect of the research. That is why the prevalence issue is so expensive and it takes so long. Because they are doing research in the field, and that is a very expensive process. We intended to use--literature search would be the major thing. Synthesizing the literature as somebody up here said this morning as well then as questionnaires and surveys. That is something you can construct and send out on a broadcast basis. We would use sampling in some cases
and a broadcast in other bases. But it is a way of
getting to a lot of people very quickly and then you
hopefuly get a 20 to 30 percent return -- in this
case, I think it would be a lot higher -- where you
try again to synthesize answers and develop research
findings.

The research in the field would be
carried out but on a limited and very selected basis,
only in some ways to validate the research methodology
and to validate some of the findings that you would
get in the questionnaires. For example, in the area
of looking at revenues -- governmental revenues.
Governments across this country maintain their books
in many varieties and in different ways. They call a
dollar of something over here something completely
different in another government, and they may not even
use the same budget classification or whatever. If
you sent a survey out that wasn't carefully screened
and considered these variations, the answers you would
get back would be worthless. They would not be able
to be compared and you wouldn't be able to draw
conclusions. So in this instance, for example, site
visits would be conducted so that we can develop a
good typology for budgets and for the classifications
of expenditures or whatever -- revenues. That would
then be used as the standard in the questionnaires and
all and sent out, but it would be with explanations as
to what these various categories mean.

And in the case of looking at crime and
the relationship between crime and gambling, for
instance, there may be some site visits to do. As I
understand what was said up here this morning, where
you really want to get some specific examples but you
can't go all around the country, so you may select a
few sites where you want to actually do some on-the-
ground analysis, including longitudinal analysis from
some pre-set date to the current time. It is also --
a site visit is --

COMMISSIONER LOESCHER: Madam Chairman,
his answer is not on point. For example, this issue
of examining or assessing the relationship between
gambling and levels of crime and existing enforcement
and regulatory practices. What I was trying to find
from you is this gets into very sensitive,
confidential information that these law enforcement
agencies have and the question is how do we -- how do
you, being charged with this work, get into the
research and then provide us a report that generalizes
the impacts that we are seeking to describe. I was
just trying to determine whether you have thought
through how that might work on a contract or
subcontractor basis.

MR. GRIFFITHS: We don't have subpoena
power. So the information that we can request is
information that basically is public information. I
guess we -- I don't know, we could perhaps make some
type of commitment that some kinds of information will
be kept confidential and shall not be distributed.
But I am not sure what the effect of that would be.
Again, we don't have subpoena power. So what we can
ask for --

CHAIRPERSON JAMES: Is in the public
domain.

MR. GRIFFITHS: Is in the public domain.

COMMISSIONER LOESCHER: Madam Chairman, a
different question that deals with the business of
contracting, subcontracting, and the nature of your proposal here I think is a good start. We seem, on the Commission, are running the chicken and egg concept around here. What are the questions and then how do we contract to do the work. I have two questions. One is would your group object to this Commission approving of subcontractors and the personnel and the scope of work and the product format and schedules?

MR. GRIFFITHS: As I understand it -- and correct me -- the task over in Section 7 A is something which we are going to do -- collect the laws and regulations and catalog and all of that. And the other tasks are where we assist you. And as I -- and in all of those tasks, I assume you are going to be the ones that tell us how you want it structured, what the objectives are, and what you expect to receive. This research is being done for you. It is not being done for us.

COMMISSIONER LOESCHER: Madam Chairman, just one follow-up on that because I want to explore while you are here the chicken and egg concept. You
Know, one way to get the work is that -- Congress has charged us with 7 broad areas to do the reporting upon. And one approach is the Commission could say to you and to the National Research Counsel, give us your approach to scoping the questions, providing us the experts, the form of product, and the time frame, and then this Commission could take a look at your proposal as to how to approach the 7 tasks that Congress has outlined, versus the way we are starting out here, sort of generalizing questions about what we want to research into and what the spin of the questions are and then hand them to you and have you come back with a product format in terms of a contract or subcontract. What do you think about either approach?

MR. GRIFFITHS: Well, the answer, I guess, is if you asked us to do that, yes, we could do that. However, what you would be getting is our opinion and our biases and where we want to go as opposed to necessarily where you want to go. Obviously, we would do it if you asked us to do it.

COMMISSIONER LOESCHER: Thank you, Madam
Chairman.

CHAIRPERSON JAMES: A couple of things.

I think that the Congress has asked this Commission, as well as the President, to shape the scope of the work and we would certainly appreciate any help that you would want to give to the research committee as they go through that process.

I just have one quick question and I wanted to make sure that all members of the Commission had an opportunity, because we will be talking about the contract a little later. It is your intention to contract, as you stated earlier, for research to be done. What process do you intend to use for that contracting? Is it going to be a competitive bidding contract purpose? Is it sole-sourcing?

MR. GRIFFITHS: I would prefer to sole-source because I think time is of the essence.

However, I have been advised that that cannot be done. That we would have to do it through competitive bids.

CHAIRPERSON JAMES: Any other questions?

And let me suggest this, Commissioners. I am having a difficult time chairing the meeting because only two
microphones can be on at a time. Now while it is a
great strategy to keep yours on so I can't get in, it
doesn't work very effectively for the flow. So I am
going to ask you to state your question and then turn
your microphone off.

COMMISSIONER LEONE: I have a question

about the last point just made. Does this competitive
bidding requirement apply to all the research we might
want to commission?

CHAIRPERSON JAMES: I think that is a
question for the procurement people who will be here
tomorrow to guide us through our deliberations. But
my understanding at this point is that you cannot sole
source contracts but that they must be competitively
bid.

MR. GRIFFITHS: I was advised recently
because, again, we had hoped to develop a pool. I
didn't expect everybody on a list that would
participate, but I wanted to have a pool of people
that we could draw from. We can't do that.

Apparently, there are only three exceptions where you
can go sole source. One is if it is a national
defense and the other is if it is a dire emergency --
the boiler is broke and water is flooding the House.
The third is that this is so unique in talent and so
unique in expertise that literally there is no one
else like it in the country. And in this case, I
think that would be very difficult to find either one
or all three of those as excuses.

CHAIRPERSON JAMES: Commissioner Wilhelm?

COMMISSIONER WILHELM: A point of
clarification. I don't mean to interrupt Commissioner
Leone's question, but did you make reference to some
procurement discussion tomorrow? I didn't see that on
the --

CHAIRPERSON JAMES: As we talk about our
rules and how our Commission will operate, one of the
questions was contracting and how we conduct
contracting. I think that is an important discussion
to have and it came up within that context. Mr.
Leone?

COMMISSIONER LEONE: Yes, I -- frankly, I
didn't realize that that was going to be the case. If
we wanted a commission on economic development study
that we would have to send an RFP out to all the
economists around the country who might be interested
and then ask them to bid. I think actually that would
be very healthy for the economics profession to have
them go through that experience, but it would also be
unique because it is not the way people in that
profession function. I don't even know off the top of
my head how that reflects on this question of whether
it is worth the money to have an intermediary,
although it is a cumbersome process to live under
competitive bidding rules at best. But it clearly --
then you have to ask yourself what judgment is being
applied here except the very minimum judgment that you
usually apply of can they perform and what are the
criteria by which one would judge whether somebody
could perform a study of this type. So I don't know.
I would kind of defer back to the committee and ask if
you thought about this. Because it frankly brings me
up a little short in thinking about how to proceed on
commissioning research.

CHAIRPERSON JAMES: Would anybody from the
research committee like to respond to that? Tomorrow?
Dr. Dobson?

COMMISSIONER DOBSON: Madam Chairman, I said earlier today that the academic community that is interested in a given subject is very small. You could probably name 20 people who have done prominent research in the area of gambling. So you can't just open it up to everybody who has an interest in statistics. So I would think that third category that you are talking about, the limitation of who is an expert in a particular area of research that we are interested in would narrow that way on down.

MR. GRIFFITHS: I mentioned in my remarks research teams. And believe me, I have believed in this for years. You can find somebody who is fairly good in a subject area, but really it is one part of a subject area that they are very good in. They concentrate in that area. Each of the tasks that we have have multiple aspects to them, and you need to find people who are strong in different aspects to work as a team to come up with a good answer. No one person is going to tackle -- no one in the pathological area is going to tackle that task as a
task. They are going to break that up into areas of specialty and then someone has got to pull it together to make it work. That would be the role of NRC and ourselves, if that is what we are asked to do. But there is no one person that is going to do government revenues or government cost or crime and gambling or policies and practices. No one person can handle that as a single solitary subject. You need the teams. And you need to know who has what strengths and then how to put those strengths together to make a whole.

CHAIRPERSON JAMES: Mr. Bible?

COMMISSIONER BIBLE: Do you have a list of past research efforts for study commissions such as this and then maybe a more general list of research that you have conducted previously?

MR. GRIFFITHS: Of ACIR?

COMMISSIONER BIBLE: Correct.

MR. GRIFFITHS: We have got a library of research that we have conducted over 38 years. We have conducted research, not in gambling per se, but we have conducted research in every one of those task areas touching on the subject matters such as cost,
revenues, laws, regulations, policies, practices. We
have done that in a wide variety of public policy
fields. I might say that perhaps one difference
between us and the National Research Council, the
National Research Council being a scientific body that
does things very rigidly and they have very tight
guidelines which they go by. An intergovernmental
commission, and I have now been director of two -- one
in Pennsylvania and one here. You are asked by public
officials to undertake very serious research in public
policy areas that can affect millions of lives and you
are given six months and usually never enough money.
And you have to come up with information and something
that these people can use very, very quickly. So I
guess in a way commissions like ourselves, and I know
that there are some people out here that are going to
cringe, but in effect we become like streetfighters in
the public arena, because we have to come up with
information quickly and we have to make it very
meaningful in a short period of time. We are not a
university. We are not an illustrious thinktank like
the National Research Council, which can take two
years, three years, or four years to do a very
scientific type of project. We have never had the
luxury of that kind of time. So I guess we would
approach obviously in a different philosophy. Where
they may require two years, we know we have to get it
done in six months and we do it.

COMMISSIONER BIBLE: But could you provide
us a list of your past research efforts?

MR. GRIFFITHS: I would be most happy to.

COMMISSIONER BIBLE: Maybe over the last
five years or ten years?

MR. GRIFFITHS: I would be most happy to.

COMMISSIONER BIBLE: And any type of
research efforts that you have provided for a
commission that would be similar to this in structure?

MR. GRIFFITHS: I would be most happy to.

CHAIRPERSON JAMES: John, did you have a
question? No? Leo?

COMMISSIONER MCCARTHY: When we first
talked on the telephone, you sent me a list of the
people that would be in the pool that you would turn
to, Mr. Griffiths.
MR. GRIFFITHS: Yes.

COMMISSIONER MCCARTHY: But what I received, and I meant to mention this to you, was I got just the names. It would be very helpful if you could give that list of names and a little bit about their background or their areas of research, at least that part which would be most closely related to the categories that we are discussing here. Then if you could, are there two or three people in that pool that you are thinking about for each of these categories? Maybe there are four people. I am not sure. But whatever it is, if you could be that specific, it would be helpful. You don't have to answer that question now. If you want to put it on paper --

MR. GRIFFITHS: I am going to say this, because I was advised before I sat down here today about my rights. Cal Snowden got to me too. Again, those people were to represent a pool and those were people that we had dealt with in the past and were very helpful to me in trying to frame an approach that we would use. They were very helpful in trying to determine the kinds of estimated dollar amounts and
all of this. However, we will have to competitively
bid the research. I guess my hesitancy here is that
I don't want to do something that is going to be
considered biasing that process, which I have already
tainted to some extent by identifying people the way
you are saying here. That may be considered -- I will
have to check with legal counsel. But I would be more
than happy to supply it if there are no problems.

COMMISSIONER MCCARTHY: One final
question. As I look at these categories, and I have
listened to you describe the qualifications of those
that you would seek research help from, I particularly
wanted to ask you to think of what keeps occurring to
me about this research we have undertaken. Now it has
got several uses, but the only one I am going to
mention here is I am thinking of those thousands of
state and local officials, whether they are elected or
career officials or appointed officials, who in three
years or four years or five years will have before
them a proposal to initiate or expand or limit
gambling that may already exist, and they are looking
for what information is available out there that can
help them make up their mind. I am also thinking about the public that would have access to this information and could be in the public dialogue in these decisions. Now if you would just look at 4(a)(2)(A) and 4(a)(2)(E), and I don't mean now -- think about what I have just said and tell me how you see the research that the people you would like to have do the research would be a practical use to all of those state and local officials that I just referred to.

MR. GRIFFITHS: How the research would be of use?

COMMISSIONER MCCARTHY: That is right. In those two. Gambling and the levels of crime are more self evident. Having a data base or a catalog of laws, I would suspect a lot of people could probably do that if the Commission finally decides that we have got enough dollars within our research budget to include that in it. But the other two are less obvious to me, at least. If you could please --

MR. GRIFFITHS: Again, A and E?

COMMISSIONER MCCARTHY: That is right.
Okay.

CHAIRPERSON JAMES: Mr. Lanni?

COMMISSIONER LANNI: Thank you. On that document that was just handed out to each of the Commissioners, the reference on page 16 and 17 to the listing of principle researchers, are these the individuals, sir, that you had planned to utilize before you learned that there had to be a competitive bidding process?

MR. GRIFFITHS: These are the people that I had readily identified initially, yes. Some of them were at a later date. For instance, a group there from the University of Indiana are very knowledgeable in the area of riverboat gambling and have done a number of studies in the midwest and were very influential in providing that data to their state legislators and so forth. That wasn't necessarily to mean that this was the end of the pool. There are other people who have been contacting us who we have worked with for years. They would like to be a part of it. As you can understand -- I am sure you are all getting calls. I guess the NRC is getting calls. We
are certainly getting calls by a lot of people who want to be very helpful. And they want to offer their services and all of that, and you have to evaluate what are those services and all that would be useful. But a number of the people who are contacting us are people who have worked with us in the past and are only finding out about this now and want to work. So I wouldn't guarantee that that was the end of the list.

CHAIRPERSON JAMES: And the number for the Commission Office is -- please direct your calls there. Did you have a follow-up question, Terry?

Sure.

COMMISSIONER LANNI: Not necessarily follow-up but relative to the questions that I had. In this report that you are required to submit to us within 15 months -- I think I heard you mention that you have been responsible for submitting reports within 6 months. What is the longest period of time that you have had to submit a report to commissions in the past that you can recall?

MR. GRIFFITHS: Well, I mean that -- I
have been asked to do it within 30 days. But I am not
going to tell you we will ever do this in 30 days. I
guess realistically 6 months is probably the bottom
line of where people have said, we need something and
we need it now and get it to me as best you can.
Obviously, you can do it in three months if you want
to sacrifice a lot of detail and you want to sacrifice
a lot of validity. It is beautiful if you have two
years to five years because then you can double-check
everything and validate everything. 15 months is --
I don't know where they picked that figure out of,
except it is probably backing up from when they wanted
to get the report out. It is better than 12 months.
12 months is better than 6 months and so forth. If
you say do it in 6 months and pay for it, somebody
will do it in 6 months and you will get what you pay
for. You will get the best they can do it in 6
months.

COMMISSIONER LANNI: I think my question
is do you feel comfortable with the 15 months?

MR. GRIFFITHS: What is the diplomatic way
of answering that. We can do a good job in 15 months.
We could have done a better job in 20 months. But as I say, it is better than 12. I think having talked to the people I have talked with and the experts I have talked with that we can give you a credible assessment of those tasks in 15 months.

COMMISSIONER LANNI: In accordance with the law, there is a requirement to study all forms of legalized gaming in the United States.

MR. GRIFFITHS: Correct.

COMMISSIONER LANNI: Did you take that into account in your proposal?

MR. GRIFFITHS: Yes, I did. Obviously, one of the things we were trying to tell you about, and I think it is in the paper on field site visits -- one reason for that is that while you have a lot of literature out there on gambling and a lot of it deals with casinos, more so now on lotteries because we have had some experience over the last 15 years -- but some of the newer forms of gambling, there is very little written and in order to do a research on all forms of gambling requires that you do some original research. Because there is not much written on some forms of
gambling. And it is just now becoming evident. Plus the fact, on the newer forms of gambling, we don't have a period of time to do longitudinal analysis. So all you can say is this is the way things are on day whatever it is at this time. We can't tell you whether that is better or worse than it was five years ago because we don't have the research or the time to do that.

CHAIRPERSON JAMES: John?

COMMISSIONER WILHELM: Let me ask the Chair a question and then let me ask him a question if I may. Did I understand you to say before that somebody is going to talk to us about this bidding notion?

CHAIRPERSON JAMES: No, that it will come up tomorrow during our discussion on contracting rules.

COMMISSIONER WILHELM: All right. I have a series of questions that are related to that concept. I share Richard Leone's puzzlement about how that would actually work. My questions are these. One, who gave you that advice? Two, with respect to
the mandate to our Commission in our law related to
your commission, if I read it right, it is mandatory
that we contract with you for a thorough review,
cataloging, et cetera, and then you are supposed to
assist us with respect to the rest of these issues.
So in that connection, is it your understanding that
this advice about bidding applies to both parts of
that or only to one part? And finally, what is your
understanding if you have to bid all of this about why
that is? In other words, is that a function of the
fact that your money is going to come from this
Commission, or is it a function of your commission?
And finally -- this is my second finally, I guess.
Sorry about that. Finally, have you ever functioned
with this bidding procedure before?
MR. GRIFFITHS: We are a federal
commission as you are a federal commission. We are
all covered under the federal procurement laws. The
federal procurement laws, which no one wants to have
to read except GSA, are very cumbersome and lengthy,
but they also, I guess, boil down to the issue that if
you release money to a subcontractor that is not a
federal agency -- we did a lot of contracts for other
federal agencies. There is no procurement laws that
are involved in that. We can take your money and you
can take our money.

COMMISSIONER WILHELM: When you had your
own staff sort of?

MR. GRIFFITHS: Well, yes. ACIR did
$200,000.00 or $300,000.00 a year of interagency
contracting with other federal agencies studying
various issues of some kind and there were no federal
procurement laws that governed that transfer of funds.
If you transfer funds to a non-federal entity, then
the procurement laws become applicable, and of course
there are procurement laws dealing with the private
sector or the non-profit sector and so forth. There
are different rules and regulations. I was told that
-- I thought one of the things we could do because of
the shortness of time here -- I heard you all this
morning. You want to get this done. You want your
information quickly. You want to get on with your
business. And I thought, all right, one of the
justifications then that we could use for sole
sourcing would be that we just don't have the time to
go out and do the competitive bidding. But Calvin
Snowden made it very clear to me that that is not an
excuse, you can't use that, which kind of popped my
balloon on that one.

There are procedures, I am sure you will
hear tomorrow -- and I am not the expert -- but there
are procedures where you can speed up the procurement
process based on the amount of the award. Awards
under a certain amount can be, for instance, done
under three bids and not have to go out to the world
and advertise it. You can pick three qualified groups
and allow them to bid. You have to justify why you
picked them, but there are ways to speed the process
up. I think under a quarter of a million dollars, you
can expedite the process.

So Calvin and I and I suspect Calvin and
you all will be sitting down and going through all of
this as to exactly what has to be involved. You see,
I forgot your final, final. I think I answered the
second final but not the final, final.

COMMISSIONER WILHELM: Whether you ever
operated under this procedure before.

MR. GRIFFITHS: Well, yes. As I said, we
are a federal commission. Under real small amounts --
and sometimes our contracting was for a single
professor or a lawyer or whatever to do a very
specific job and we were able to do this by getting
three voice bids. We didn't have to go out and do an
elaborate process because the amount of money was so
small. But, yes, we went through the procurement
process wherever the amounts were large enough to
require it. I mean, we are a federal agency just like
everybody else.

CHAIRPERSON JAMES: Let me be very clear
about this in terms of we will abide by the federal
procurement laws. That is the end of that story. The
bottom line is that whatever that is and whatever the
advice is that we get from the experts in that field,
that is what we will do. Is it annoying? Yes. Is it
cumbersome? Yes. Would we prefer not to have to deal
with it? Yes. Is it going to slow us down? Yes.
Will we abide by the law? Yes. So whatever we find
-- I completely -- I know that you have dealt with
these issues before. ACIR is an expert in this area of getting work done and of doing research, and I trust you, Mr. Griffiths, as you go through this process that you will figure out exactly how to get it done within the confines and the letter and the spirit of the law. That is all this Commission can ask of you. Terry?

COMMISSIONER LANNI: One more question, if I may. Relative to the $1.4 million proposed budget, the question I have is how much of that is purely administrative and how much have you set aside for research in that amount?

MR. GRIFFITHS: Approximately -- for ACIR, $500,000.00. The rest of it was all subcontracted. But that includes us, who are doing the research as well. I mean, if you subtracted our salaries from our research role, I am not sure exactly what that would come to. Probably $300,000.00 -- I don't know. Maybe $300,000.00 pure administrative. I am not sure. I would have to research that and give you a figure.

CHAIRPERSON JAMES: Mr. Griffiths, how many people are on ACIR's staff today?
MR. GRIFFITHS: We have four people, two
of which are part-time.

CHAIRPERSON JAMES: So you only have two
full-time people?

MR. GRIFFITHS: Full-time staff at this
point. We obviously are doing just what you are
doing. We are waiting to see what you do before we
decide what we are going to do. But one thing we
didn't want to do was bring on a lot of people and
then have to support a lot of people on a lesser
budget. So we decided we would just wait and see what
you do. But we have people we could bring on if the
money is there.

CHAIRPERSON JAMES: Any other questions
from Commissioners? Mr. Griffiths, thank you so much
for being here today and for answering the questions
from the Commission. We have a lot before us to think
about and to deliberate on. Before we talk about the
contracts in general, I would like to go ahead and
move and have NRC make their presentation and have
some questions and discussion with the Commission.

They are charged with conducting research
on pathological problem gambling and its impact as well as providing assistance to the Commission in other areas. They are responsible to report to the Commission by September of 1998, and joining us today from NRC are Carol Petrie, the Director of the Committee on Law and Justice, Barbara Torrey, the Executive Director of the Commission on Behavioral and Social Sciences and Education, and Dr. Faith Mitchell, the Director of the Social and Economic Studies Division. Thank you all for coming today, and we will turn it over to you and let you decide what order you would like to speak in.

MS. TORREY: I am Barbara Torrey, the Director of the Commission on Behavioral and Social Science. And what I will do is simply turn it over to Carol, who actually has been doing all of the legwork on this and then be available to answer your questions.

MS. PETRIE: Thank you, Madam Chair. It is a great pleasure for us to be here today to present the National Research Council's proposal for a study of pathological gambling to you and your colleagues on
the Commission.

We would like to begin by first telling you something about the National Research Council and its study process, and then briefly outline the major issues to be addressed by our proposed study on pathological gambling. We want to leave plenty of time at the end of our presentation for questions from Commission members.

To begin, the National Academy of Sciences was established by Congress in 1863. Its charter was signed by President Lincoln, and its stated purpose is to provide advice to the nation on scientific and technological matters. Four distinguished organizations make up what is known as the Academy complex. Three are membership organizations of distinguished scientists from around the country and these are the National Academy of Sciences, the National Academy of Engineering, and the Institute of Medicine. The fourth, the National Research Council, is the operating arm of the Academy. It provides staff and support to the standing commissions and boards and to the various study committees of the
Institution.

The study procedures of the National Research Council are designed to insure the highest levels of scientific competence, to protect against bias, and to preserve the independence of the committee process. For most NRC studies, a committee of between 10 and 20 members with a diverse range of expertise and perspectives is convened to address a particular question.

The scientific diversity supported by this process is particularly important when an issue has multidisciplinary dimensions that must be considered, as is the case with pathological gambling.

Study committee members serve without reimbursement except for their expenses. Most projects originate from requests made from outside sponsors, especially Congress as this one has or federal agencies. In reaching conclusions, the committee members meet periodically to evaluate published research and hear invited scientific testimony. The charge to the study committee, that is its task, is the formal statement of the problem, that
in this case begins at the bottom of page 3 of the
prospectus that you have in front of you.

Committee members for this study will be
nominated by members of the National Research
Council's Commission on the Behavioral and Social
Sciences and Education, the members of its Board on
Behavioral, Cognitive, and Sensory Science, and the
members of its Committee on Law and Justice.

Sponsors, that is all of you, may also
suggest candidates for consideration. Committee
member nominations are reviewed and approved by the
members of the Commission on the Behavioral and Social
Sciences and Education and by the President of the
National Academy of Sciences, who is responsible for
appointing the study committee members.

Each committee is assisted in its work by
highly qualified professional staff members who bring
substantive expertise and interdisciplinary interest
to the management of the committee process. It is the
responsibility of staff to create the dispassionate
and objective atmosphere in which the National
Research Council's deliberative process takes place.
The committee itself, however, bears the responsibility for designing and conducting the study and writing the final report.

Once the study is completed and a report has been written, it goes through a rigorous review process. This review is confidential. Anonymous experts who have not participated in the study committee review and critique the report. The report resulting from the work of the committee will be prepared in sufficient quantity to insure its distribution to the Commission, to committee and panel members, and other relevant parties in accordance with Academy policy -- for example, members of Congress. Reports are made available to the public without restriction -- that is, NRC disseminates its reports as widely as possible.

Before the report is officially released by the Academy, staff and committee members may discuss only the scope of the project, the name of the sponsor and the study cost, and the make-up of the committee, including the names and affiliations of the members.
Now as all of you know, when the National Gambling Impact Study Commission was established, the law included a provision for an assessment of pathological or problem gambling and its impact on individuals, families, businesses, social institutions, and the economy. The Act further states that the National Research Council shall assist the Gambling Commission in carrying out this part of the study. The NRC was included in the legislation to study pathological gambling because there is some controversy surrounding its definition, its causes, its prevalence, and its treatment, and because there are some questions about how existing data and information on pathological gambling should be interpreted. Thus the Congress, and from what we understand both the Gaming Industry and the anti-gambling community wanted an objective and scientific review of the research that exists on pathological gambling.

Despite existing controversies, it is broadly accepted that pathological gambling differs from the social gambling of most adults. It has long
been classified by all concerned as deviant and is
highly linked to serious behavioral, social, and
health problems. Pathological gambling was first
described as a mental health problem in 1980, when it
was included in the Diagnostic and Statistical Manual
of Mental Health Disorders, Third Edition. When I say
first described, I mean first officially described.
Actually, it was recognized as a disorder in the
treatment community before that. There it was defined
as a chronic and progressive failure to resist
impulses to gamble. Symptoms ranged from the
relatively mild, borrowing money from family or
friends, which many social gamblers might do, to
losing time at work, which is more serious and
limited, to the other extreme of being arrested for
offenses committed to support gambling. This
definition, which has been updated somewhat in the
Fourth Edition to reflect new information, is widely
accepted in the mental health treatment community, but
pathological gambling is nevertheless still
controversial as a medical problem even among research
psychologists and many sociologists. Thus the
theories and definitions with respect to the nature and causes of pathological gambling remain a source of debate in these circles and in other policy circles as well.

An example can be found of this in the authorizing legislation for the Commission where it calls for an examination of pathological or problem gambling. These terms are used interchangeably, but there are questions as to the similarities in these behaviors. For example, over when a person crosses over from social gambling to frequent gambling to problem gambling, or when problem gambling becomes the uncontrollable state that is more narrowly defined as pathological gambling in the mental health literature.

The National Research Council's review, therefore, must attempt to sort out some of these definitions and relationships. I won't cite statistics on pathological gambling here because I know you will hear these from many other people who will testify in front of you. However, at this point I would like to highlight some of the major issues that the study might address, with the understanding
that many sub-issues and questions will be addressed
by the study committee and certainly many more than I
can mention here or think of.

One of the most important will be the
question, has the prevalence of pathological gambling
increased as gambling has become more socially
acceptable. Though there are no national prevalence
studies, there are quite a few studies that examine
prevalence by studying treatment populations, and the
more recent literature on overall prevalence. For
example, there is a 1988 National Institutes of Mental
Health prevalence study that was conducted in five
states. That study and a subsequent effort improving
on the methodology for the State of Maryland both
concluded that pathological gambling prevalence had
doubled in Maryland over the past 20 years, that is,
since the last gambling commission studied the issue.
So we see that the issue of prevalence will be a
critical one for the study committee to examine.

The National Research Council committee
will review the quality of the prevalence data on
pathological gambling and provide an assessment of
what conclusions may reasonably be drawn from existing
prevalence information.

The committee will also review the data on
teen prevalence and whether it has increased as well
as prevalence for other subgroups described as
vulnerable in the literature, especially minority
groups and the elderly.

A second issue to be addressed would be
what are the causes of pathological gambling.

Research indicates that the causes may be complex. So
among other things the committee might examine will be
risk factors, decision making processes related to
pathological gambling, and individual differences,
especially again whether certain groups have special
vulnerability such as teenagers.

A third major issue is what is the
relationship between pathological gambling and other
disorders -- for example, drug abuse, alcoholism, and
depression. And to the extent possible, the committee
will examine comparative studies of the severity and
prevalence of these disorders. Reviewing this
literature will help the committee to describe some of
the behavioral and health-related contexts that should be considered in studying pathological gambling.

A fourth issue is what are the social and economic costs of pathological gambling. Related studies on crime, delinquency, Welfare, personal indebtedness and bankruptcy, lost productivity, disrupted families and compromised family physical and mental health will all be examined.

Next is the issue of the impact of the new gambling technologies on the development and progression of pathological gambling. Of particular interest here are the impact on motivation and behavior of video technologies and the likely impact of the availability of gambling on the Internet. I really can't tell you how much we will be able to do on that because there is no published literature on that.

Finally, the study committee will determine what treatment is available and its impact and will examine what related research principles can be applied to the design of prevention programs.

A preliminary search of social science and
health data bases that we performed to develop this study prospectus identified over 700 studies involving some aspect of pathological gambling. The size and scope of this information base in fact surprised us. So you can understand that this is not a small task. However, a review of this information base is expected to provide new information on a range of issues including the links between pathological gambling and the incidence of crime, the level of damage families experience from pathological gambling, whether pathological gambling along with its associated disorders is substantially higher in communities with a major gambling presence, whether some forms of gambling are particularly strongly linked to pathological behavior, and whether it is possible to determine the proportion of gaming revenues that come from pathological gamblers.

Because of the multidisciplinary nature of the pathological gambling issue, a wide range of expertise is required for this study. The study will draw on experts from mental health and psychiatry, social psychology, biostatistics and survey
statistics, criminology, sociology, constitutional and regulatory law, economics, epidemiology, public policy, and finance and marketing. The committee will review quantitative data and documents from a variety of governmental and non-governmental sources, will review theoretical, ethnographic, and case study information on pathological gambling, and will interview subject matter experts in order to evaluate the range of research and statistical information available on pathological gambling and its multiple impacts.

The committee also will select other experts from this range of academic disciplines as well as from professional treatment settings to participate in project activities which will include commission papers and two workshops.

A final report will synthesize the research review, discussions, and papers presented and the report will be submitted to the Commission and made available to the public.

The estimated cost of the 15-month study to review the extensive data and information base on
this topic and to produce and disseminate the final
report is $620,000.00. This amount supports the
salaries of the project and supervisory staff, the
travel and meeting expenses of the committee and the
other participants in the study including workshop
participants, and the research activities including
the cost of extensive data searches and research
reviews and commission papers. And while we recognize
that this is a sizeable percentage of the Commission's
research budget, we believe that the scope of the
literature to be reviewed and the importance of
producing an authoritative, highly credible, and
thoughtful study of pathological gambling warrant the
expense and will move the field forward in meaningful
ways.

My colleagues and I will be happy to
answer any questions you have.

CHAIRPERSON JAMES: Mr. Leone?

COMMISSIONER MCCARTHY: I should have
pointed out before Carol Petrie began her presentation
that in the -- in this thing that I left in front of
all the members that are not on the subcommittee on
research is included this prospectus. If you wouldn't
mind pulling that out, it has in it a plan of action
which you've really just heard laid out in even more
detail. If you wouldn't mind just taking a look at
that, it might be helpful. Thank you.

Madam Chair, I would simply say that we
had an opportunity to have an exchange with Carol
Petrie for two and a half hours as I think I mentioned
earlier at the Denver Airport, Conference Room A. I
think we were -- we knew something about the National
Research Council before that meeting, of course. I
don't know what caused Congress to include them for
this part of the research, but I am happy Congress did
because I think their standing professional competence
will get us a good report. I asked the question that
I ask everywhere, how will lay people making these
decisions at state governments and local governments
-- what will they have from this research to look at?
And I think you have just heard a list of the subject
areas that are going to go in, and we will know what
the costs are to government of providing for whatever
the measure of damage is that comes from pathological
gambling or any seriously disordered gamblers in this
field. And I think those economic judgments as well
as social judgments should be in the public dialogue.
I think this could be a very valuable piece of
information for the public to have. I don't know if
my colleagues want to make any comments.

CHAIRPERSON JAMES: Terry?

COMMISSIONER LANNI: Thank you. A couple
of thoughts. One, I am aware of the prestige that
surrounds your particular organization and I would
assume that gambling is a new venture for your
particular association, and I would suggest that you
might want to take a look at some of the statistics
that you have compiled in your report that was
included in our package. Because gaming, I think you
refer to, or gambling -- some people refer to it as
gaming but some others refer to it as gambling -- so
gambling is indicated that it is allowed commercially
you are reporting in 9 states. It is actually 10
states that have commercial gaming. In addition, 22
states have some form of Native American casino
gaming. Your reference to the aspect of the situation
for Native American gaming -- you should note that
that is subjected to two other factors which you
didn't include in there. One is entering into a
compact with the governor of the particular state in
which the tribe finds it reservation bounded by or
within that area. And in turn, the requirement of
federal recognition. If a Native American tribe is
not federally recognized, it doesn't fall under the
Indian Gaming Act of 1988. In addition, unless I have
missed something, Georgia does not authorize video
slot machines. So I think some of your research to
date in the area of gambling should be maybe a little
more intense.

CHAIRPERSON JAMES: Did you want to be
recognized, Mr. Loescher?

COMMISSIONER LOESCHER: Yes, Madam
Chairman. I support your agency and your proposal,
and this is the kind of proposal, I think, that we
should be entertaining in all of the other areas that
Congress charged. I think it is laid out here and the
approach is good and we know what the outputs are
going to be and the process and the schedule, and I
would be hopeful that the other segments of our work
could be proposed in this manner.

I honestly believe that the Chair and the
Executive Director should be able to negotiate a
contract rather quickly based upon this initial
proposal. So I just want to go on record as endorsing
this approach.

CHAIRPERSON JAMES: Jim?

COMMISSIONER DOBSON: Madam Chairman, I
would like to call the attention of the Commission to
the fact that we don't yet have a budget. So we don't
know how much money we have. We listed 50 questions
today that we wanted to answer. This one deals with
one of them. We have got to spread the money around
somehow in that group. You have a research committee
that has been appointed to look at this. I would
certainly hope in both of these instances that you
would allow us to do our initial work and come back
with a recommendation instead of making a decision
today that would lock us into anything that is at best
a preliminary judgment without knowing what kind of
funds we have.
CHAIRPERSON JAMES: Richard?

COMMISSIONER LEONE: I have a question that relates to the timing. Because I think Jim is right. We can't do much about the budget yet, although the numbers keep adding up as people keep talking. We've sort of backed up all of these from the date the report is due or has to be written in effect. We haven't really backed them up from a date we might pick that would be designed to bring all the research in, let's say, in 12 months and give the Commission 3 months or more to deliberate about what it all means. Now obviously something is lost when you cut time from the process, and just as long as we have this panel here, I thought I might ask them about it.

In a rationale world, again, one might want to approach it that way and say we wouldn't want to write our collective judgment without having had a chance to digest all of this presumably expensive and valuable information that we have caused to be developed.

CHAIRPERSON JAMES: This is another one of those chicken and egg questions, and it is a very
difficult one, but not one that didn't go
undeliberated or discussed as we thought about it.
And tomorrow, when we have that workplan discussion,
that is exactly the kind of discussion that we need to
have in terms of when we would like to see the
information brought to the Commission, what we will do
with it at that point in terms of having the ability
to analyze it, and to comment on it. And again, the
question is raised again about the budget and whether
or not -- you know, what kind of money is available
for that. The one thing we do know is what Congress
appropriated. We do know that. And I think while it
is difficult, it is important to recognize that we do
need to have some idea of what our contractors are
telling us they believe is necessary. So that,
Richard, as you sit down with the staff at GSA, you
will have the benefit of that information in
developing and going over a budget with us. So it is
not a pretty prospect of which goes first and how do
we do it and do we decide this first or second. It is
cumbersome any way you look at it, but all of that
information is important in coming up with the
process. John?

COMMISSIONER WILHELM: I would like to urge us to move on the National Research Council proposal as quickly as possible. On the one hand, I understand the points made by Jim and Richard with respect to the budget process. On the other hand, the law that established the Commission does require in a mandatory way that we contract with the NRC. Now it is true that one can try to sort of slice and dice exactly what it is that we might contract with the NRC about, I suppose, because it talks about assistance. But it seems to me that the proposal put forward by the NRC is precisely responsive to what the law says we shall contract with them about.

CHAIRPERSON JAMES: John, can I interrupt for just a minute to suggest that we see if we have any additional questions for this panel and then we begin our discussion about the contracts and the contract process.

COMMISSIONER WILHELM: Fine.

CHAIRPERSON JAMES: Because while we deliberate that, I hate to have them have to sit at
the table while we go through that process. Yes,

Bill?

COMMISSIONER BIBLE: Is your price capable

of negotiation? It was suggested that maybe

negotiating would lower the price?

MS. TORREY: Our price is sort of what --

for the kinds of activities we laid out for you. So

what we would have to do is we would have to take some

of those activities off the table. We have -- one of

our big problems and one of our real expenses is our

review process and it goes into the question of time

that somebody raised. It is -- we have such an

extensive review by outside scientists of our work

that it really -- it reduces our degrees of freedom in

negotiating.

COMMISSIONER BIBLE: Which I guess then

you are suggesting that if the price were reduced that

the quality of the work product may not be the same?

MS. TORREY: I have to tell you that is

true.

COMMISSIONER BIBLE: Okay. Thank you.

CHAIRPERSON JAMES: Do we have any other