July 29, 1998  N.G.I.S.C. San Diego Meeting

UNITED STATES OF AMERICA

NATIONAL GAMBLING IMPACT STUDY COMMISSION

FOURTH ON-SITE MEETING

WEDNESDAY

JULY 29, 1998

SAN DIEGO, CALIFORNIA

The Commission met in the Del Mar Hilton, 15575 Jimmy Durante Boulevard, San Diego, California at 9:04 a.m., Kay C. James, Chairperson, presiding.
PRESENT:

COMMISSIONERS:

KAY C. JAMES, Chairperson
ROBERT W. LOESHER
WILLIAM BIBLE
LEO T. McCARTHY
PAUL H. MOORE
JOHN WILHELM
JAMES C. DOBSON
J. TERRENCE LANNI

COMMISSION STAFF:

E. DUNCAN GETCHELL, JR. Counsel
DR. TIMOTHY KELLY Research Director
MARTHA C. ROBERTS Deputy Director
DOUG SEAY Policy Director
ALLISON FLATT Associate Research Director
TIMOTHY BIDWILL Assistant to the Chair
CRAIG STEVENS Staff Assistant
JOHN SHOSKEY Senior Writer
JANET NEWKIRK Executive Secretary
DEBBIE DUCRE Receptionist
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CHAIRPERSON JAMES: Good morning. Can I have the Commissioners take their seats, please. Good morning. My name is Kay James, and on behalf of the Commission, I'd like to call this meeting of the National Gambling Impact Study Commission to order, and declare that we do indeed have a quorum to conduct today's business.

I want to welcome all of you to the seventh meeting of the Gambling Commission, and our fourth site visit. Previously we've conducted three meetings in Washington and visited Atlantic City, Boston and Chicago to discuss specific forms of gambling. As I have done in each of the cities we have visited, I'd like to take a moment and explain the purpose of the National Gambling Impact Study Commission.

For those of you who are joining us for the first time, this Commission was created by Congress in 1996 to conduct a comprehensive, legal and factual study of the social and economic impact of gambling in the United States on governments, communities, businesses and individuals.

The nine members of this Commission, eight of whom are present this morning, were appointed by the President, Speaker of the House and Senate Majority Leader. We represent diverse backgrounds, regions, and indeed viewpoints. In June of 1999, we will report our findings to federal, state, and Native American Tribal governments.

As the citizens of California know well, this is an extremely timely setting, as legalized gambling has grown nationally to a 550 billion dollar a year industry. Gambling is legal in all but two states, and 38 states themselves operate...
some form of a lottery. Everyday we are reminded of the importance and relevance of this study. A bill to restrict gambling on the Internet passed the Senate 90 to 10 just a few days ago, and today millions of Americans will hope to beat infinitesimal odds to win a staggering Powerball jackpot. In this environment many voters, policy makers and businessmen are seeking credible information about the benefits and cost of gambling and its impact on the community.

When the Commission developed its schedule of site visits it was not conceived as an effort to view each form of gambling. To do so would take far longer and more than the two years that we have and the nine members that we have could get done in that period of time. I think by now that each of the Commissioners has a good idea of what a casino, racetrack, lottery or slot machine looks like, and generally how they operate. We recognize that there are distinctions among the various types of casinos, betting parlors, and lottery games, and will continue to work to understand them. But our principal task remains as Congress directed, to assess the social and economic impact of legalized gambling upon the Nation.

In devising a site visit schedule that crossed the Nation and examined the various forms of gambling, we hope to ensure that we are able to hear from those who are directly touched by gambling; from families to business owners to government leaders. We've heard from lobbyists who tell us the positive and the negative impact of gambling nationwide. But it is the individual college student, the individual state legislator, the individual track employee, who can tell us with
personal experience what impact gambling has had upon their community. In addition, we're able to hear from experts from the academic, regulatory and legislative arenas.

Today the focus of the meeting is twofold. First, we begin the examination of the pari-mutuel industry; and second, we continue our investigation into Native American gambling where we left off in Boston in March.

Our two pari-mutuel panels this morning will allow industry representatives and other experts to address issues currently facing the horse racing industry. With the increased spread of legalized gambling across America, horse track operators are faced with difficult choices to maintain their viability. One of these choices is the introduction of slot machines at tracks. We will also be hearing testimony about the relationship between this type of wagering and problem gambling.

I want to thank Commissioners Lanni and Bible for their time spent assisting the staff and for their suggestions for the panel on the industry's structure. And I also want to thank Tel Putsavage and Roy Berger for their generous assistance. Our Native American Gambling Panels later this morning and this afternoon will allow Tribal leaders to address their concerns to the Commission. And we'll allow the Commission to be briefed on the Pala Tribe Compact and the California Ballot Initiative Issues.

I want to thank Commissioners Wilhelm and McCarthy for their specific suggestions for the Native American Gambling One Panel. I would also like to thank Commissioner Loescher for his assistance, and that of Rick Hill and Jacob Coin of the
National Indian Gaming Association for their assistance in putting together these panels and this meeting.

This meeting's agenda is the product of a team effort. Each Commissioner was afforded the opportunity to include experts they felt important to be heard. Commission staff made tremendous efforts to accommodate the numerous groups of Native Americans and pari-mutuel industry experts who came forward with their suggestions and comments. And we do indeed owe our staff a great debt of thanks.

While not every single viewpoint will be brought forward to the full Commission today and tomorrow, efforts were made to include those groups' viewpoints in the Indian Gambling Subcommittee's deliberations yesterday and later in the week.

We appreciate the panelists and members of the public and the press who have joined us today. Part of my responsibility as Chairman is to protect the rights of all sides to be heard and to ensure that the process for this discussion is fair, balanced and objective. Spirited debate and differences of opinion are to be expected and, in fact, encouraged. I would ask everyone participating today, including the audience, to be respectful and fair to others, particularly to those who have differing opinions. We're are grateful to those who felt strongly enough to come here today and to be heard. The Commission is here to listen and to learn, and we really do appreciate your presence here.

Finally, I'd like to thank Senator Diane Feinstein, the San Diego Police Department, the Hilton staff for their assistance in arranging today's meeting, and of course again to
the staff of the Commission. We thank you for your energy, your research, and many hours spent preparing for this meeting.