United States of America

National Gambling Impact Study Commission

Fourth On-Site Meeting

Thursday

July 30, 1998

Tempe, Arizona

The Commission met in the Buttes Resort, 2000 West Court Highway, Tempe, Arizona at 8:15 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

COMMISSION STAFF:

E. DUNCAN GETCHELL, JR. Counsel
DR. TIMOTHY KELLY Research Director
MARTHA ROBERTS Deputy Director
DOUG SEAY Policy Director
ALLISON FLATT Associate Research Director
TIMOTHY BIDWILL Assistant to the chair
JOHN SHOSKY Senior Writer
CRAIG STEVENS Staff Assistant
JANET NEWKIRK Executive Secretary
DEBBIE DUCREE Receptionist
<table>
<thead>
<tr>
<th>Page</th>
<th>C-O-N-T-E-N-T-S</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Opening Remarks, Chairperson James</td>
</tr>
<tr>
<td>2</td>
<td>Tribal Leadership</td>
</tr>
<tr>
<td>3</td>
<td>The Honorable Vivian Burdette</td>
</tr>
<tr>
<td>4</td>
<td>The Honorable Dale Phillips</td>
</tr>
<tr>
<td>5</td>
<td>The Honorable Wayne Taylor</td>
</tr>
<tr>
<td>6</td>
<td>The Honorable David Kwail</td>
</tr>
<tr>
<td>7</td>
<td>Question and Answer Session</td>
</tr>
<tr>
<td>8</td>
<td>Native American Gambling II—The Indian Gaming Regulatory Act</td>
</tr>
<tr>
<td>9</td>
<td>Mr. Michael Anderson</td>
</tr>
<tr>
<td>10</td>
<td>Mr. Tom Gede</td>
</tr>
<tr>
<td>11</td>
<td>Mr. Jacob Coin</td>
</tr>
<tr>
<td>12</td>
<td>Mr. Raymond C. Scheppah</td>
</tr>
<tr>
<td>13</td>
<td>Question and Answer Session</td>
</tr>
<tr>
<td>14</td>
<td>Native American Gambling III—Regulation and Enforcement</td>
</tr>
<tr>
<td>15</td>
<td>Mr. Kevin Di Gregory</td>
</tr>
<tr>
<td>16</td>
<td>Ms. Penny Coleman</td>
</tr>
<tr>
<td>17</td>
<td>Mr. Gary Husk</td>
</tr>
<tr>
<td>18</td>
<td>Mr. Jeff Metoxen</td>
</tr>
<tr>
<td>19</td>
<td>Question and Answer Session</td>
</tr>
<tr>
<td>20</td>
<td>Public Comment</td>
</tr>
<tr>
<td>21</td>
<td>Mr. Keith Arnold</td>
</tr>
<tr>
<td>22</td>
<td>Mr. Dennis Wilk</td>
</tr>
<tr>
<td>23</td>
<td>Ms. Gwen Bjornson</td>
</tr>
<tr>
<td>24</td>
<td>Ms. Paula Burns</td>
</tr>
<tr>
<td>25</td>
<td>Mr. Jeffrey Dense</td>
</tr>
<tr>
<td>26</td>
<td>Ms. Marilyn Lancelot</td>
</tr>
<tr>
<td>27</td>
<td>Ms. Lynn Macari</td>
</tr>
<tr>
<td>28</td>
<td>Mr. Mike Brubaker</td>
</tr>
<tr>
<td>29</td>
<td>Mr. Don Hulen</td>
</tr>
<tr>
<td>30</td>
<td>Mr. Dallas Massey, Sr.</td>
</tr>
<tr>
<td>31</td>
<td>Mr. Gary Williams</td>
</tr>
<tr>
<td>32</td>
<td>Mr. Len Munsil</td>
</tr>
<tr>
<td>33</td>
<td>Mr. Alexis Johnson</td>
</tr>
<tr>
<td>34</td>
<td>Mr. Don Rae</td>
</tr>
<tr>
<td>35</td>
<td>Business Meeting</td>
</tr>
<tr>
<td>36</td>
<td>Staff Briefing on Native American Gambling: Social and Economic Impact</td>
</tr>
<tr>
<td>37</td>
<td>Doug Seay</td>
</tr>
<tr>
<td>38</td>
<td>Native American Gambling IV</td>
</tr>
</tbody>
</table>

### Native American Gambling II—The Indian Gaming Regulatory Act

- Mr. Michael Anderson
- Mr. Tom Gede
- Mr. Jacob Coin
- Mr. Raymond C. Scheppah
- Question and Answer Session

### Native American Gambling III—Regulation and Enforcement

- Mr. Kevin Di Gregory
- Ms. Penny Coleman
- Mr. Gary Husk
- Mr. Jeff Metoxen
- Question and Answer Session

### Public Comment

- Mr. Keith Arnold
- Mr. Dennis Wilk
- Ms. Gwen Bjornson
- Ms. Paula Burns
- Mr. Jeffrey Dense
- Ms. Marilyn Lancelot
- Ms. Lynn Macari
- Mr. Mike Brubaker
- Mr. Don Hulen
- Mr. Dallas Massey, Sr.
- Mr. Gary Williams
- Mr. Len Munsil
- Mr. Alexis Johnson
- Mr. Don Rae
- Business Meeting
- Staff Briefing on Native American Gambling: Social and Economic Impact
- Doug Seay
- Native American Gambling IV
1  The Honorable W. Ron Allen  240
2  The Honorable Ferdinand Notah  248
3  Mr. Tom Tucker  253
4  Dolly  259
5  Question and Answer Session  265
6
7  Native American Gambling V  279
8  The Honorable Mary Thomas  280
9  Mr. Gary Anders  286
10  Mr. William M. Thompson  293
11  Question and Answer Session  299
12
13  Adjourn  307
CHAIRPERSON JAMES: Good morning. I would ask that all Commissioners take our seats. I want to let the other Commissioners know that Terry will not be joining us this morning. He's had some personal -- I don't know if you want to use -- some personal business to take care of, so he will not be joining us.

I just want to welcome each and every one of you to our meeting this morning and would like very much to spend a few minutes and just tell you a little bit about the Commission. This Commission was formed as an act of Congress. We are asked, mandated to look at the social and economic impact of gambling. We have been through several site visits where we have received testimony and we are delighted to be here in Arizona today.

Previously we've conducted meetings in Washington. We've been to Atlantic City, we've been to Boston, Chicago and we have discussed at those site meetings several forms of gambling and yesterday the Commission discussed parimutuel betting and Indian gambling. As I've done in each of the site visits, I'd like to share just a few minutes of what we do and why we do it.

The nine members of the Commission, although we are lacking two here today, were appointed by the President, the Speaker of the House and Senate Majority Leader. We do, in fact, represent diverse and divergent backgrounds, regions of the country and various viewpoints. In June of 1999 we will report our findings to federal, state and Native American tribal governments and as the citizens of Arizona know well, this is an extremely timely study.
Gambling has grown in America nationally to a $550 billion a year industry. It's legal in all but two states and 38 states themselves operate some form of lottery. Every day we are reminded of how important this Commission is. There's one person in America today, I think, that's extremely happy about the state of lotteries and I don't think they've found that person in Indiana just yet. I'm not sure if they have.

A bill to restrict gambling on the Internet, as you are well aware I'm sure, passed the Senate 90 to 10 just a few days ago and in this environment in America today, I think, many voters and policy makers and businessmen are seeking credible information about the benefits and the cost of gambling and its impact on the community.

When we developed our list of site visits it was not our intention as a Commission to make sure that we visited a site that would, in fact, view every type of gaming in America. To do so, I think, would take far longer than two years and more effort than this nine-member panel could muster but I go believe that by now each of the Commissioners have a good idea of what a casino, a racetrack or a lottery or a slot machine looks like and generally how they operate.

For those of us who went to Del Mar yesterday, it was a very informative visit and added to our knowledge and understanding of parimutuel gaming in America. We hope to insure through our site visits that we're able to hear directly from those who are touched by gambling, from families to business owners to government leaders, to those individuals whose lives
who have been helped and those individuals whose lives have been hurt.

We want to talk both about the positive and the negative impact. We want to hear from you. That's why we're delighted to be here today. Yesterday we heard from several tribes about the complex issues surrounding gambling on reservations and I know that the Commissioners came away with a renewed appreciation about the inherent difficulties with many of the questions that we will have to wrestle with. It was extremely informative, extremely enlightening and I think we all came away understanding just how extremely complex this issue is.

Today we will continue our examination of Indian gambling. Our Native American gambling panels later this morning and this afternoon will allow tribal leaders to address their concerns to the Commission and will allow the Commission to be briefed on the Indian Gaming Regulatory Act and the social and economic impact of gambling in these communities.

I want to thank in advance all of our panelists, particularly the tribal leadership that traveled to be here today. I'd also like to thank Commissioner Loescher for his assistance in pulling these two meetings together and that of Rick Hill and Jacob Coin of the National Indian Gaming Association for their assistance in providing this Commission with logistical as well as expert testimony.

This meeting agenda is the product of a team effort. No one understands better than I how difficult it is to pull one of these agendas together and try to accommodate the various wishes of individual Commissioners as well as the interest groups.
that so desperately want to be heard. I want to thank you for
your patience as we've gone through this process and thank the
staff. It is sometimes a grueling process to make all of this
come together as they've done.

We were not able to get everyone in who wanted to be
heard at the full Commission, but we were able to accommodate
them and I want to thank Doctor Moore for the job that he's done
with the subcommittee and the testimony that they received there
on the day before the full Commission hearing and the testimony
that they will be receiving and the site visit that they will
make on behalf of the full Commission tomorrow.

We appreciate the panelists and the members of the
public and the press who have joined us today and I especially
want to recognize each and every one of you who have taken time
out of your busy lives to be here. Part of my responsibility as
Chair is to protect the right of all sides to be heard and to
insure that the process for this discussion is fair, balanced and
objective, to make sure that each and every one of you has an
equal chance to come before this Commission and present his or
her case.

Spirited debate and differences of opinion are
expected and I believe to be encouraged. I would ask that
everyone participating today, including the audience, be
respectful to others as they are presenting and to those who have
different opinions. We're grateful to those of you who feel
strongly enough to come here. This Commission is here to listen
and to learn. With that, I'd like to take a minute and then we
will proceed to our first panelist. And this is a federal
commission and under our rules all testimony is considered to be under oath.