CHAIRMAN JAMES: At this time we'll open it up to Commissioners for questions and comments. Commissioner Loescher.

COMMISSIONER LOESCHER: Madam Chairman I only have one question since it's so late in the day. First of all I'd like to thank Governor Thomas for the invitation, the very gracious invitation, to bring us out to their tribal lands tomorrow and visit the community there. So I'd like to state publicly for the record our thank you for that invitation.

I have one question for you that I've been dying to ask. Under the Arizona compacts, does the Arizona Department of Gaming have a right to demand access to the books and records of a tribal casinos?

GOVERNOR THOMAS: The answer to that is definitely yes, they have been there and even our financial records they have those because we provide them with all our audits. And we've had a clean audit for the four years we've been operation. They're always welcome to come and they let us know when they're there. So at no time are they ever excluded from our reservation, they have all the records.

COMMISSIONER LOESCHER: Thank you Madam Chairman.

CHAIRMAN JAMES: Thank you. Additional questions, Commissioner Wilhelm.

COMMISSIONER WILHELM: I just wanted to thank Mr. Anders for those two very specific suggestions, I think they were very useful and I think that both the research committee and the Indian Gaming Committee of this Commission ought to take them into strong account so thank you.
MR. THOMPSON: Could I add just one thing, we heard just within the last 45 minutes that we have 200 very good studies of prevalence rates of gaming. Now I'm working with NORC with their study, but still should you put all your resources into an area where we already have 200 very good studies. Your research agenda totally neglected Indian gaming.

COMMISSIONER MCCARTHY: May I?

CHAIRMAN JAMES: Certainly.

COMMISSIONER MCCARTHY: First of all I want to thank Professor Thompson, he was one of the people I phoned very early as I was beginning to gather materials and just begin to get a bit of a handle anyway on gambling which is not my field. And he sent me the Wisconsin study and some other materials and I appreciate it.

I was part of that statement, but I think what I said was that Dr. Howard Schaffer, psychologist at Harvard Medical School, division of addiction study, used a 120 fairly current studies that he judged to be quality studies. But I want to indicate, of course, that they're yesterday's data and they're useful and we're paying attention to them, but that doesn't suggest that you don't need new data that can be used reliably for the next decade.

MR. THOMPSON: Well, let me just ask you what's the new data? Schaffer says 1.3 percent, you know, Volburg has studies doing 2 percent, 3.5 percent, 9.1 percent, 1.2 percent you do a new study and come up with 3.6 percent, what does that tell you?
COMMISSIONER MCCARTHY: Well, I'm not -- I mean you're making it an assumption in what you said. I'm not suggesting that economic studies are unimportant, but I am suggesting that the information we're after in the NORC household survey is going to yield us not only some fresh numbers on prevalence, but information on a number of other related points to instruct on gambling.

And I think that the difference is that the rapid growth in legal gambling in the United States in the last decade particularly I think makes it urgent for us to get that kind of - now having said all of that, that doesn't argue against your point and Professor Anders point that we do need more data on economic impacts.

And that gets me to the question I was going to ask Professor Anders. As I read your -- all of your information was good, but the couple of key paragraphs are on page three, those two very large paragraphs in the middle towards the bottom as I read that you stress the urgency of gathering this information, but you say unfortunately there's a lot of data that we can't get to so maybe the information on these subjects we developed would be incomplete, am I misreading what I've read here?

MR. ANDERS: I'm looking for a road map towards an evaluation of a policy. My academic training is to think in terms of public benefits and costs. We hear enumerations very specific, very compelling testimonies from compulsive gamblers about their personal losses. We also, on the other side, hear very strong benefits of the gaming for various tribes. In terms of sorting through this I'm looking for a way to begin to
quantify some of the assertions that are made. It is obvious from the data that I've looked that there are some demonstrable benefits that are occurring that could be attributed to the management and the operation of casinos.

But the data that is currently collected both by the state and by federal agencies is scanty, it is subject to reporting errors, it is not collected in such a systemic way that it would give us a profile of what gambling has done for native communities.

COMMISSIONER MCCARTHY: So what's the answer to my interpretation here?

MR. ANDERS: What I'm saying?

COMMISSIONER MCCARTHY: Did I state it clearly enough what I'm trying -- A, the kind of research you suggest would be beneficial in my view; B, what kinds of data are missing that would impair the reliability of the research you're suggesting is so important?

MR. ANDERS: I understand, sir, and thanks for helping frame the question in such a constructive way. Originally I had aligned something like if Native American casinos are responsible for approximately 10 percent of the total gaming they ought to receive approximately 10 percent of the research budget. I think actually think that they should be more than that because of the long suffering problems that have been characteristic of reservation communities.

With regard to the research process what I would like to see is a way in which tribes would encourage a research methodology at the household level so that we could document from
employees in the casinos where the wages are spent, how the state
economy is impacted beneficially from those expenditures. We
need to understand gaming and the compacted expenditures by
tribal governments where that money goes, what changes have
occurred in terms of increasing educational success rates in
terms of increasing some measure of health care, some measure of
the quality of life for people on those reservations. And that
would require a very intensive survey type research at the
household level.

COMMISSIONER MCCARTHY: At the household level?

MR. ANDERS: Yes, sir.

COMMISSIONER MCCARTHY: All right, I thought you were
suggesting focusing on data that went directly to Native American
tribal gambling experience. You're talking now about general
households?

MR. ANDERS: No, we're talking about reservation
communities, sir.

COMMISSIONER MCCARTHY: Oh, okay, all right.

MR. ANDERS: Okay.

COMMISSIONER MCCARTHY: Would you do this for me so
that I can personally give serious consideration to what it is
you're saying, would you list the specific areas of data which
are not available to you, they may exist and simply blocked out
as in the Freedom of Information Act, or they simply may not
exist because nobody is really developing the kind of data you're
talking about. Would the two of you list that and be specific
about that? That would be essential to doing the kind of
reliable research you've been outlining for us. And you might
also mention what kinds of research could you make reliably even
without that information. Okay. Because it's not clear to me at
this moment what the answers would be to those two questions.
Thank you.

MR. ANDERS: We'll give it some thought.

CHAIRMAN JAMES: Thank you Commissioner McCarthy.

Any other questions for our panels, Commissioner Moore.

COMMISSIONER MOORE: Madam Chairman, you know you
always -- someone told me that you never told a story unless you
were the hero. And I just would like to compliment -- and I'd
probably like to have a class on Professor Thompson because I
think he expressed my views that I tried to express yesterday
just not as eloquently as he did.

I'm not -- as I told them yesterday I wasn't trying
to teach or preach socialism, but it does bother me when a tribe
of 25 members split 50 million dollars. I mean, I guess I'm
jealous, I'd like to have that. Oh, not being jealous or
covetous, I would like to have that and them have more maybe and
then your not coveting anything.

But anyway I think that was good point and I think
that that's something that they should look at. That's my
personal opinion.

COMMISSIONER LOESCHER: Madam Chairman.

CHAIRMAN JAMES: Commissioner Loescher.

COMMISSIONER LOESCHER: Yeah, I'd like to comment on
that I -- it worries me when Mr. Wilhelm and Dr. Moore can agree
on something and I wonder where my position is going to be in all
of this, but I want to tell you a mini story.
I have a friend, he's a United States Senator Ted Stevens, who wrote the Alaska Native Plains Settlement Act. And in that law he put in a provision called ANSCA7I that basically says that there shall be a revenue sharing for the timber and the subsurface resources from the Alaska native lands. We had 40 million acres of land given back to us as a part of our native claims.

And his notion was the same as being offered by Mr. Thompson, that there ought to be a revenue sharing among the 100,000 Alaska natives who were beneficiaries of that law because the wealth of Alaska was being -- is identified in anomalies in oil fields, in coal fields, in fish fields, in timber fields, but they're spread far apart. And that there are have-nots and there are haves.

Well, we have a court ordered settlement agreement that keeps accounting for all of this. We're mandated to share the revenues, but it's counter American. It's absolutely counter American. It violates the free market system, it doesn't recognize the risk that the company who takes on an oil field or a mining plant or a timber operation and in this case gambling operations building those facilities and operating them, doesn't recognize the risk that these tribes are, in our case, Alaska native groups take.

And so I -- we have worked, you know, to try to implement Senator Stevens will, but it is the toughest thing you've ever seen because it doesn't recognize the risk taking and it doesn't recognize the value of the wealth that was owned by the original people of that -- of those areas. And in Alaska we
have 226 tribes and over a 100,000 people, about 150,000 counting the descendants.

So I suffer with the notion that Dr. Moore and Mr. Wilhelm are going to get together on this set of principles and recommend this to the Congress and to the state and to the tribes.

COMMISSIONER WILHELM: That is pretty scary.

MR. THOMPSON: We should address what is the risk of 22 Cabazon's or zero members of Sycuan's in 1990 as far as their reservation population, they had members outside the reservation. I mean what is the extent of risk when you have a Pequot tribe that had two members in 1973. Now, they grew the tribe with bingo and then something else, but how much risk was there that now yields one billion dollars? I don't think it's the same kind of risk we have on a stock market or when we start a company.

So I think -- and also there is this privilege of -- and I say it's a privilege I don't want to say it's something given to Native American populations, but really in a sense we have structured a federal law and through court decisions to give a benefit to selected populations. It's not a benefit the general population shares. Not everybody through Connecticut can start a casino.

So given a monopoly situation maybe there is an obligation that goes beyond having a business that's in a totally free enterprise system.

CHAIRMAN JAMES: Any further questions? I'd like to thank our panel for your testimony this afternoon and as I have with other panels suggest that you please stay in very close
contact with the Commission as we go about our work and we will rely upon your advice and your counsel as we go into a final drafting stages of our report.