that the Commission needs to discuss of a personnel nature.

I would ask all reporters to please take all bags and recording devices with you. We're going to come back before lunch. Don't go far.

(Whereupon, the foregoing matter went off the record at 11:18 a.m. and went back on the record at 11:25 a.m.)

COMMISSIONER McCARTHY: Madam Chair, one point of order. Now that we've adopted the rules, should we not confirm the subcommittees that have been created prior to this? Formally?

CHAIRPERSON JAMES: I think we can do that, if that would be appropriate. We can make you official.

COMMISSIONER McCARTHY: I would so move.

COMMISSIONER WILHELM: Leo does pretty good when he's unofficial.

COMMISSIONER McCARTHY: I want him on the record in an official capacity.

CHAIRPERSON JAMES: It has been moved.

UNIDENTIFIED: Second.
CHAIRPERSON JAMES: Second. All in favor?

(Chorus of ayes.)

COMMISSIONER McCARTHY: Are we still a subcommittee or are we now a full committee?

CHAIRPERSON JAMES: You are a subcommittee.

COMMISSIONER LANNI: I've lost that battle. I know you're a committee, but I've lost that battle a long time ago. It's going to be a subcommittee of a Commission.

COMMISSIONER McCARTHY: Thank you. It's good to feel legitimate.

CHAIRPERSON JAMES: We never thought of you as illegitimate. Commissioner McCarthy.

COMMISSIONER McCARTHY: Thank you, Madam Chair. Members of the Commission, I have before we begin, a few words that were inadvertently left out -- and this is a clerical error -- left out of the version you have in front of you. May I address that first before I even begin my remarks?

Would you turn to page 4 of the subcommittee recommendation? Two, Database on
Communities. The very first words should read, "The subcommittee recommends that". And then please strike the word "will". That's all there is to it. So that it will now read, "The subcommittee recommends that data be collected", etc. Is that clear with everybody? Thank you.

I want to restate what the 3-membered subcommittee on Research unanimously feels our objectives are on this, and Dr. Dobson and Mr. Wilhelm of course, as always should feel absolutely free to amplify these thoughts.

What we're after here is our attempt to provide thousands of leaders at every level, the quality objective data about the social and economic consequences of gambling as those leaders, in hundreds of communities around the country, attempt to make decisions to initiate, expand, or terminate gambling in their communities.

We're also in pursuit of quality objective data that can be made available to members of the general public, that will empower them as individuals in this nation, to be a part of the public dialogue
regarding the public decisions that could materially
affect the quality of their lives in their homes, in
their workplaces, in their communities.

The various components of the research
agenda that are before you as presented unanimously by
the Research Subcommittee after a good deal of hard
work by Dr. Peter Reuter, a principal research
consultant, supplemented very constructively by Dr.
Tim Kelly, the director of research on the Commission
staff, includes components that we see as interlinked
with each other.

So this is not a set of options we're
giving you. We can do this piece but we may not be
able to do that piece. Obviously we need funding for
this. This is a critical question yet to be fully
resolved, but we want you to look at these components
as all-important in our attempt to meet those
objectives that I just briefly outlined.

About providing the kind of research, I
might say, for the first time in this country,
particularly in view of the explosive growth of
gambling in America since our predecessor Commission
addressed this issue, we are attempting to produce
information and to do that you need to see these
different components as related to each other.

So while the national survey indeed by
itself, would provide a good deal of useful
information, it will be far more understandable by the
complementary database on communities' research that
we also urge you to adopt at this point.

I'm going to ask Dr. Reuter to outline the
proposal before us as we get into it. We sent a copy
of this to all of you about ten days ago, but I
appreciate you've had an opportunity to read it, but
I hope you have questions about it that we can try to
address.

And again, I invite Dr. Dobson and Mr.
Wilhelm to add comments at this point if they wish to,
and certainly during the discussion that we're about
to commence. All right, if not, could we call upon
Dr. Reuter, Madam Chair, and let him begin the
dialogue.

DR. REUTER: Thank you very much. I think
the principal research activities have been divided
into sort of four streams, and they in turn, reform to two categories: one is concern with the effect of gambling on individuals, and the other one is concerned with the effect of gambling on communities. And under individual we have, I think as the principal activity -- something that Mr. McCarthy has already referred to -- the National Survey of Gambling Behavior, which is assigned with the extent of gambling participation and characteristics of those who gamble regularly, and will provide estimates also of the prevalence of problem or pathological gambling. To supplement that, there's also a set of research activities concerned specifically with the problem of pathological gambling; the centerpiece of which is the project being carried out by the National Research Council which we propose to supplement with some additional data collection activities. At the community level, the subcommittee proposes to create a community-level database which would allow the description of what is actually happening in communities that have casinos and other kinds of gambling, as compared to those that do not.
And also, a line of work concerned with estimation of the economic impact, particularly focused on the issues of substitution between gambling expenditures and others.

What I'd like to do now is just briefly go through each of those four major lines of research.

CHAIRPERSON JAMES: Professor Reuter?

DR. REUTER: Yes.

CHAIRPERSON JAMES: Before you continue, I am remiss. I meant to stop right after that to introduce Nancy as she came into the room, and I just wanted to let commissioners know who that was that had joined us at the table and just to give her a minute to say anything she wants to say to the Commission at this point. And then we will get into those four areas.

MS. KENNEDY: Thank you very much. I just asked Kay to give me a moment to thank the members of the Commission for their trust in me on my past performance, and to say that it does us all good every seven or eight years to have a unanimous vote. Thank you.
DR. REUTER: The first component is a survey of gambling behavior. There is one prior survey which was done by the 1976 Commission for which I served as research director, and it has been a survey that has been widely cited. It provided the first, and still only estimate, of the prevalence of pathological gambling – which then was estimated at about .7 percent -- much higher for males than for females, and much higher for Nevada, even if you excluded people who moved to Nevada for the gambling. And it showed that gambling expenditures back then were concentrated amongst lower-income groups -- or at least that taxation on gambling was substantially regressive. That is over 20 years ago and much has changed. I looked at the figures and at that stage, in 1975 when the actual survey was done, total expenditures on legal gambling were about three-and-a-half billion as compared to something like 40 billion in 1996. This is the only means that we have of describing in a systematic way, who gambles, how it
varies by age, sex and race, by income group, etc.,
and it is essential to any discussion -- or who is
affected by expansion and access to gambling. In that
connection I think it is important to try to
incorporate in the surveys some supplements that could
measure the effect of increased access.

In the 1976 survey there was a special
sample in Nevada of about 300 persons. Now of course,
there's a much wider range of communities from which
one would like to do some sampling, and it may be
possible to also do some supplemental sampling that's
focused on frequent gamblers -- that is a serious
problem -- and then developing a sampling frame that
allows you to get from that to estimates of the
prevalence of frequent gamblers. But I think they're
very useful for purposes of describing characteristics
of frequent gamblers and problem gamblers.

There are some major technical issues that
need to be resolved and which I do not believe we can
at this stage, provide the -- I or Dr. Kelly can yet
provide a great deal of guidance to the Commission.

One is the issue of phone interviews
versus in-person interviews. In 1976 the survey was
done in-person and there were good reasons for doing
it then. Since then, telephone survey methodology is
much improved -- we have computer-assisted telephone
interviewing -- but there are a whole range of
considerations.

How sensitive are questions about gambling
behavior which affect how credible the information is
that you get from telephone interviews. How much does
one -- how long an interview is needed -- and one has
to pay attention to the share of household that are
without telephones.

For example, in Mississippi, which is a
state of particular interest for those concerned with
gambling, about 14 percent of residents live in
households without phones. It varies a great deal by
state -- I only learned this recently. In the state
of Washington only one percent of persons are without
telephone.

The cost implications of telephone versus
in-person interview are very substantial but it is
possible there's a mixed mold; that is, that there
would be some telephone interviews supplemented by
targeted, in-person surveys in some communities aimed
at some populations.

Let me turn now to the issue of the
community database which I think may be the other
largest, single activity. A lot of the debate about
the effect of, certainly of casinos, has been about
how communities which have introduced these casinos,
have been affected by them.

And the only way that one can get
objective information here is to get a large sample --
data on a large sample of communities, including
casino communities, communities with various levels of
access to gambling, and look at how their economic and
social situations have changed. It's necessary to
cover a large number of years so you can see how that
community was changing prior to the introduction of
gambling and how it changed afterwards.

It's a problem that there are not a lot of
communities outside of Atlantic City or Nevada in
which there has been a long experience with
substantial casino activity, but the database should
certainly encompass all those that are available. The data are generally government statistics but that doesn't mean that they're easily obtained; frequently not available essentially at the national level. And that makes this a substantial activity to create this database, which the subcommittee suggested should be supplemented with intensive case studies.

Where you gather data for example, from interviews with community members about specific issues such as impact -- how welfare workers see their caseloads as having been affected by gambling -- not simply the numbers but the characteristics of the caselog.

This database offers the possibility of many kinds of analysis. I believe that the most important analysis is simply going to be descriptive; that is, comparing how these communities have fared with different levels of gambling with other communities.

There may be causal analysis that one can do of a more sophisticated nature, but it's very
difficult to explain a lot of these outcomes like bankruptcy or divorce rates or suicide rates, and it would be unclear how easily one would be able to pick out specifically, the effect of gambling. But clearly that should be attempted.

With respect to pathological gambling which Dr. Kelly is much better situated to talk about, the principal research activity will be the National Research Council review. And I believe there's been prior discussion of this and do not believe it would be appropriate to add to that.

In reviewing what the NRC proposes and the other kinds of -- the other research activities that the subcommittee recommended -- it was possible that the Commission might collect additional data, but at this stage we're not entirely sure as to what are the appropriate, additional data collection activities that should be done regarding pathological gambling.

The final one of the four categories concerns economic modeling; of the impact of gambling in particular casinos. There are many existing studies which have been developed in the context of
specific proposals for casinos. There's a need to
synthesize those. Many of them are quite well
documented and the data are fairly transparent.

It is -- and I venture here a semi-
professional opinion as an economist -- that this is
primarily a conceptual issue and it's not clear that
there needs to be a major, original research activity.

However, the subcommittee recommended that
the initial activity be a review of the existing
studies by regional development economists of some
area, to clarify in particular, the extent to which
the substitution and multiplier issues which are
critical here, need to be amplified by additional
research.

There are a number of other topics that
the subcommittee have proposed to cover, albeit more
briefly. For example, Internet gambling -- which is
mentioned in the Commission's statue -- should
certainly be looked at. However, it's very new and
very ill-defined and changing.

It's hard to do systematic research on
such an elusive phenomenon. Which isn't to say that nothing should be done, but it probably could at this stage, be a fairly modest activity.

There may be work that could be done on the effect of lottery promotion activities which is again, also mentioned in the -- advertising activities mentioned in the statue. It may require very detailed data to make large advances, but perhaps it's possible to draw an analysis of promotional activities related to cigarettes and alcohol which have been extensively studied.

There are a number of topics that one could put on an agenda that have been omitted. Some of them perhaps, because of questions about whether they're researchable. For example, the impact of legal gambling on savings rates at the national level -- a very interesting question. I'm not clear how one does research about it.

Other topics may require simply more time and money than the Commission has available; for example, the effectiveness of different enforcement methods aimed at reducing juvenile gambling.
When the Commission has decided on its research agenda, Dr. Kelly and I propose that the next step is to try to develop some relationships with other Federal agencies that may be interested in co-funding research related to gambling. And I've already identified a number of agencies that I believe would be so interested.

And then we'll be preparing Requests for Proposals, perhaps using short-term, specialized consultants in that process, and then work with the Commission on selecting contractors and commissioning smaller synthesis.

Thank you.

COMMISSIONER McCARTHY: Madam Chairman, I ask if Dr. Kelly has any comments he'd like to make at this time?

DR. KELLY: Yes, I do. I would just call the Commissioner's attention to the section on problem and pathological gambling just to make sure that --

COMMISSIONER McCARTHY: Could you turn up that mike a little bit?

DR. KELLY: I'm sorry, it's just not
coming through? Okay. I just thought I would call
the Commissioner's attention to page 7, item 4,
Problem in Pathological Gambling, because there's been
so much discussion of this particular topic area, and
I think it's fair to say that the Research
Subcommittee and we have worked long and hard on this
-- together with NRC, the National Research Council.
And by the way, we do have representatives here from
NRC to answer any questions that the commissioners
might have on this.

I just wanted to point out the structure
of this particular section. If you'll notice after
the introductory paragraph, on the next page, page 8,
there are two lines of concerns that are set out for
you.

On the left-hand side, on page 8, it says,
"NGISC Research Subcommittee Question Sets", and on
the right-hand side, "Corresponding NRC Proposal".
And that refers to the two attachments at the end of
this document.

I believe the document is numbered to page
12, but then after page 12 you have two attachments:
Attachment A which was the set of questions that the
Research Subcommittee generated to be addressed in
this topic area, and then Attachment B which is the
focus of the NRC work that has been proposed to
address that same area of concern.

So what you have then on page 8 is a
comparison of the two to make clear where they line
up, where they match up, or where they don't. I just
wanted to point that out because I think there's been
a little confusion, I know from talking with some of
you, on what this is about.

Furthermore, after comparing those two and
making sure we've addressed all the areas of interest
to the commissioners, notice the final paragraph on
this section, on page 9. The final paragraph from
this section starts at the -- it's the first full
paragraph on page 9. And let me just focus in on that
for a brief moment if I could because I think it's
very important.

"The work of the NRC will be augmented by
the National Survey of Gambling Behavior described
above." In other words, the survey itself is also
very relevant to some of the questions in this topic area; that is, the area of problem and pathological gambling. 

So even though the NRC is going to address this in terms of what the current literature says, the National Survey will really be the main feature for addressing questions for instance, as to what is the prevalence ratio of problem and pathological gambling. So the survey itself will be a part of this work -- or as we put it here, this should substantially strengthen the estimates of the prevalence of this problem behavior. 

Then in addition, "A targeted survey of gamblers exiting gambling locations, may be considered as a secondary research initiative in order to provide a snapshot of percentage of problem and pathological gamblers" -- that's what the "PP" stands for -- "problem and pathological gamblers at various locations, and help development of estimates of revenue that they generated."

"Also, invited testimony and/or focus group data from PP Gamblers and treatment may be
considered as a secondary research initiative to help
the Commission understand the personal costs and
experience of problem and pathological gambling."

Let me say a little something about what
is meant by talking about primary versus secondary
research, and it goes something like this. I think,
as we have delved into this, that there is a current
level of understanding of gambling issues -- whether
economic or social, or literature out there on
economic and social aspects of gambling -- that we
want to get a handle on.

And as actually, Commissioner Loescher has
made clear to us just recently, it's important to note
that what we're talking about here is, first of all,
getting a handle on what is known -- what is known
through the current literature -- and then coming back
to the table and deciding: what are the gaps, what is
not known, what do we need to do to flesh out the
current body of knowledge that's available to answer
some of the basic questions that the Commission is
charged with answering?

So what we intend to do -- and it doesn't
show up too clearly in this document -- is of course,
have a timed sequence to this to where we will try to
get our hands on a sort of a baseline understanding of
what the current understanding is for economic and
social impact of gambling. And then come back to the
table and ask any secondary questions that we might
have.

And that is what is reflected, if you turn
to the last numbered page of this document, page 12,
you'll notice that there's mention made there of both
primary research initiatives and potential secondary
research initiatives. I just wanted to highlight that
because I know there's been some confusion as regards
the timing of some of these research initiatives that
we have proposed.

And I will stop there, Madam Chair.

CHAIRPERSON JAMES: Did you have something
--

COMMISSIONER McCARTHY: Mr. Wilhelm or Dr.
Dobson have any thoughts they want to add?

CHAIRPERSON JAMES: I'd like to recognize
Mr. Wilhelm.
First I'd like to, as a member of this subcommittee, express my appreciation to Leo whose long experience has made him into an unusually effective Chair, and I appreciate that as I'm sure Jim does as well. And also to Dr. Reuter and Dr. Kelly, who I think have done a superb job on a pretty tight timeline.

In my professional capacity I have been involved from time to time in supporting proposals for new gambling initiatives and also in opposing proposals for new gambling initiatives.

And it has been my observation and I think many people would agree with this, that the quality of information that is put forward during those kinds of debates -- whether they're legislative debates or initiatives or whatever -- the quality is sometimes very good and it ranges all the way over to complete trash. And I say that about both advocates and opponents.

But regardless of its objective quality, virtually all of it is suspect in the eyes of some or many, because -- simply because of its source or
sponsorships. So I would agree with Leo McCarthy's
opening comments that -- which echoed the Chair's
comments -- that it would be a tremendous service to
provide actual information that both policymakers and
citizens could rely upon.

I know that in the deliberations of the
subcommittee it has been a bitter pill to realize that
neither money nor time permits the exploration of
anywhere near all of the important and relevant issues
that the Commission, as well as I'm sure the public,
would like for us to explore. But that is the clear
reality: neither money nor time permits that.

If the exploration of possible co-funding
from other government agencies that Dr. Reuter
referred to can be pursued, perhaps there will be more
money. I know that there's also the pursuit of a
possible, additional appropriation from the Congress.

I for one would be -- I've learned never
to say never -- but at least if I look at the world
today, I for one would be very much opposed to an
extension of time for this Commission -- not that I
don't enjoy every minute of it.
But the reality is that we're not going to be able to study all of the things that could meritoriously be studied. So I would like to say just for myself -- and this is reflected in the subcommittee's report, which was as the subcommittee chairman pointed out, supported by the whole subcommittee.

To say that the work of the National Research Council, the National Gambling Prevalence Study -- which I received a strong endorsement from a representative of the anti-gambling coalition during the public comment portion of our last research committee meeting -- the target of the studies, the case studies, and the creation of the database, those items -- the NRC study, the National Prevalence Study, the case studies and the database that are referred to in the subcommittee report -- I think taken together would be enormously forward in terms of the provision of solid information or information that is as solid as it can be.

And so, my sense of the priorities is that those particular things should be focused upon and I
believe that's what the report says. From the point of view of my particular interest in the economic impact of the various forms of gambling, I think the suggestion by Dr. Reuter and Dr. Kelly to start a piece of that by having a reputable, not yet bought and paid for person, try to synthesize what is there, is a superb idea. I think it would give us a much better handle on where else to go on that issue.

I observed at the most recent Research Subcommittee meeting and I want to observe again, that I think that the -- again, in the context that we can't study all the things that ought meritoriously to be studied -- I think we ought to give serious consideration, if I understand what the Congress is doing correctly, to abandoning any effort on the part of this Commission to look at the issue of bankruptcies as related to gambling.

And the reason that I say that is because I am advised that the Congress is about to instruct the United States Department of the Treasury to spend $200,000 doing exactly the same thing. And given the scarcity of resources I personally would suggest --
and this suggestion is not part of the subcommittee report; I want to be clear -- that we ought to forget about that issue. Because Congress in its wisdom, after having told us to do it, has now told somebody else to do it. So I figure sort of, whatever they said last probably counts.

And finally, I'd like to comment on an issue which is addressed and in my view, is adequately addressed in the subcommittee report. And it's addressed beginning on the bottom of page 3.

The language in the report that I want to comment on says, "The subcommittee recommends obtaining casino industry data relating to betting patterns, including heavy betting patterns, the demographics of casino customers in general, and advertising studies and techniques. The subcommittee recognizes that certain privacy concerns of individuals must be respected".

We had a discussion of the issue of personal privacy and governmental intrusion into personal privacy during the Research Subcommittee, and it was clear to me -- at least at that time and so far
as I know, it remains clear -- that the subcommittee
had a unified position on this.
And the only reason I'm raising this is
because this language, the language of those two
sentences went through a variety of permutations and
editions and re-editions, the purpose of which was
obscure to me. Again, I'm not unhappy with the
language, nor am I proposing to amend it, but I do
want to stress that in my view, and at least as of the
last subcommittee meeting, the subcommittee as a whole
concurred with this.

While I have no objection whatsoever to
studying, as this language indicates, betting patterns
and things like that. And in fact, I have supported
each and every one of the aspects of the research
committee's compilation of questions to be studied
that Dr. Dobson has proposed in the area of problem
and pathological gambling. I think they're all
legitimate and important areas of study.

Nevertheless, it is my very strong belief
that no Federal -- or no governmental agency including
this one, other than a law enforcement agency
investigating crimes; that's obviously not what we are
-- I don't think any government agency including this
one, has any business of any kind whatsoever,
inquiring into any particular individual or asking for
the names of any individuals or sending researchers or
staff members or anybody else, in person or by mail or
by phone or in any other fashion, intruding on the
privacy of, or attempting to obtain the names of
individuals.

I think that would be completely and
totally inappropriate. I believe the subcommittee has
agreed on that. I want to stress that because while
I support, as I've said, studying these issues of
problem and pathological gambling including betting
patterns, I think it would be the worst of Big
Brotherism for this agency as a government agency, to
get into obtaining in any way, shape, or form, or
pursuing in any way, shape, or form, individual
people.

And again, I want to express my
appreciation to Jim and particularly to Leo as the
chair and to our two experts, for what I think is
excellent work they've done.

CHAIRPERSON JAMES: The chair recognizes
Dr. Dobson.

COMMISSIONER DOBSON: Madam Chairman, I
agree with everything, essentially, that Commissioner
Wilhelm just said. I particularly commend Dr. Reuter,
Dr. Kelly, and the chairman of the subcommittee, Leo
McCarthy, for the work they've done. I would not have
believed it would have been possible to be at this
point this quickly. It is through their skill that we
have gotten to that place.

I'm also in agreement with the entire
proposal; have no objections. In fact, I think all
three of us have been in concurrence on everything
suggested, including the comment about the
confidentiality of individuals who are involved in the
legal activity gambling. And so I don't think there's
any conflict there.

My only concern is the one that I
expressed at the last meeting, and I express it again
this time even though I think I'm pretty much a lone
wolf on this subject. But I'm extremely concerned
about the financial side of this thing. There is not
the money there to do what we are proposing.

We have $1.2 million allocated for research; 49 percent of which has been allocated by
our vote which I lost 8:1, to spend $620,000 with the
NRC in essentially a review of the literature.

As comprehensive as that is, that I thought was a mistake then before we even knew what
the total budget was going to be, and it seems to me
to be -- my concern seems to be validated now because
we're proposing a lot of stuff and almost no provision
of which is going to be done for us at $600,000.

I understand there's a possibility of
Congress giving us additional money. Being able to
implement what we have suggested is absolutely
dependent upon that. But again, I think it's a
proposal that will help answer some questions for
which there is no information -- there's very little
information to this point. I think it would be very
useful and I'm pleased to have my name attached to it.

CHAIRPERSON JAMES: Thank you.

COMMISSIONER McCARTHY: May I just comment
briefly on two points? One, regarding the bankruptcy study. What I'd like to recommend at this point is that we allow Drs. Reuter and Kelly to meet with whoever Treasury has assigned this responsibility and find out what they really are going to cover, and see if there's a way we can make sure the ground is covered; that they're going to cover it in a way that relates to our overall objectives. That's fine, but let's see if we can do that coordination.

I think your main objective, John, was to avoid duplication. I think we all agree to that, and with that one bit of flexibility, if we can approach it in that manner I would appreciate it very much.

COMMISSIONER WILHELM: I think you covered that; certainly.

COMMISSIONER McCARTHY: The other point raised, Madam Chair and members of the Commission, by Dr. Dobson regarding additional money is that I think we should see how the members of the Commission feel about this proposal; then I would like to get back to a discussion of whether we do anything with Congress, or how we go about doing that.
But I'd like to find out how much support there is on the full Commission to do that, after we have a discussion on the substantive issues before us. So if we could defer my comments on that for now.

CHAIRPERSON JAMES: Certainly.

Commissioner Loescher.

COMMISSIONER LOESCHER: Yes, Madam Chairman, I would be appreciative of the committee and our advisors and staff if they could explain to me an additional point which would have a bearing on my thinking about this research and report writing, data gathering exercise.

I'd like to know about the ACIR -- their relationship, their proposal -- and how all that fits in with this approach.

COMMISSIONER McCarthy: I think we're at the point now, if I may respond, Mr. Loescher, where we can make that decision. Because the next step -- if the Commission approves what is before them now the next step is to begin project design, try to more precisely formulate budget requirements for each of these areas that are a part of this proposal before
you, and ACIR would fit into that picture, as well as
other research organizations, or individual
researchers that we would attempt to identify to see
how this comes together at this point.
CHAIRPERSON JAMES: I would also like to
add at that point, that later in our deliberations
when we talked about the workplan, I wanted to make
the suggestion that it was exceedingly difficult to
move forward in any direction with that, in any way
with that, because we do need to bring to closure and
have a vote on the Research Subcommittee's report.
And you know, it's almost like which comes
first, the chicken or the egg, and I do believe that
the Commission needs to make some commitments about
that and make some determinations about where we go,
and that will tremendously impact the rest of the work
for this Commission.
So I concur with what you're saying.
COMMISSIONER LOESCHER: Madam Chairman?
CHAIRPERSON JAMES: Commissioner Loescher.
COMMISSIONER LOESCHER: If I could just
follow up on that -- I give deference. Mr. Bible, do
you want to --

COMMISSIONER BIBLE: I assumed, Madam Chairman, that procedurally the next step is the Research Subcommittee was going to explore the cost option of these various alternatives and put a price tag to the various elements of data gathering, then would bring it back to the Commission --

CHAIRPERSON JAMES: Right.

COMMISSIONER BIBLE: -- and then we do what Dr. Dobson has suggested, and maybe take a look at those items that we assign higher priority and those that have a lesser priority would kind of fall by the board.

CHAIRPERSON JAMES: That's correct.

COMMISSIONER BIBLE: So you know, that's the process that's --

COMMISSIONER McCARTHY: Mr. Bible is correct and that's what I set out in the October 8th memo that was sent on behalf of the subcommittee to all members of the Commission.

CHAIRPERSON JAMES: At this point I'd like to open it up for discussion on the presentation that
has just been made. Are there questions of the
Research Subcommittee, concerns, additions, deletions?
Are there any gaps here?

I'd like to add my voice to those who have
already said what a fantastic job I think they have
done. It has been an absolute pleasure to work with
the subcommittee.

They have put in -- for the benefit of
those who have not had the opportunity to watch this
up close as I have -- the amount of hours and time
that have been put in to get us to this point are
extraordinary, and I think that that subcommittee had
a variety of views and opinions represented there and
I think it speaks well of the chair and the
subcommittee itself to get us to the point where we
have a unanimous recommendation from the subcommittee
before the full committee today for a research agenda.
And I just want to add my voice of thanks to the rest
of those who have expressed that.

But it is appropriate at this time, after
hopefully you've had a chance to review this, for any
additional questions, concerns, comments. This is the
COMMISSIONER LOESCHER: Madam Chairman.

CHAIRPERSON JAMES: Commissioner Loescher.

COMMISSIONER LOESCHER: I have a number of comments about the committee's report and the presentation. I was looking at page 1 in the introduction, the last sentence. And maybe it's just a matter of how you use words or what you're trying to emphasize, but the sentence reads, "Casino gaming, both commercial and tribal, gets more attention than other forms of gambling, but no legal form is neglected".

You know, and I have a hard time with that idea. We're charged to look at all gambling in America and we have to have a strategy to write a report, to develop data and supplement that information where we're short, to cover State lotteries, cardroom gambling, charitable gaming, pari-mutuel gambling, electronic gambling, riverboats and casinos.

And I'm troubled that the committee and the staff is so focused on casino gambling. I want to
look at it all, and I want to have equal emphasis on it all. But certainly from the outset in the introduction, it doesn't appear that that emphasis of getting to all of it is going to be accomplished. And I would like to ask the committee if you have any comments about my perception?

CHAIRPERSON JAMES: Commissioner Wilhelm.

COMMISSIONER WILHELM: In the deliberations of the subcommittee, Leo and Jim are aware that I have expressed a similar concern. I believe that this Commission wouldn't exist but for the spread of a variety of forms of gambling that has accelerated so much in recent years. Some of that is casino gambling but there's a great deal of other forms of gambling proliferating.

As a native of the State of Virginia who hasn't lived here in some decades, I'm stunned when I drive down the road on the way to the hotel this morning and hear the rock solid, conservative State of Virginia bombarding me every 12 seconds on the radio with entreaties to buy new and different forms of lottery. It's absolutely astounding. It's not the
Virginia I grew up in, but then again, the world
changes.

So I agree with Bob's concern. I am, however, heartened by the fact that as I read the report's recommendations on the items that again, I believe are the most important here -- the prevalence study, the database, the targeting studies and the case studies -- I believe that the report fairly reflects the intention of the subcommittee to encompass in those studies, not just casino gambling but all forms of gambling. And I think that's pretty clear in the text of those sections.

CHAIRPERSON JAMES: Commissioner Dobson.

COMMISSIONER DOBSON: It's obvious that the statute does require us to look at various forms of gambling and I think we should. But approximately 50 percent of all the revenues that come in from gambling are invested, if you will, in casinos. So I think this statement here merely reflects the preponderance of the gambling industry that is related to casino gambling.

COMMISSIONER McCARTHY: I would add, Madam
Chair, that this really suggests -- we looked at the volume of dollars from each legal form of gambling and what the projected growth was suggested for those different forms of gambling, and that is what we attempted to see reflected in this.

If you'll note, in the database on communities, for instance, we are very specifically going to pick out samples of communities where there is lottery-only, casino-only, and various combinations including other forms of gambling as a basis for comparison and how we get a handle on the ramifications that -- the consequences that flow from each form of gambling.

We're not interested proportionately, in gambling that has very limited usage. How much attention we will pay to gambling where they represent one-half of one percent of the volume in America -- you know, the volume should suggest how much attention they get. If there's a projection that that one-half of one percent is going to grow into 10 or 15 percent then they will be included in the research that we have. But that's the reasoning behind that.
CHAIRPERSON JAMES: Commissioner Dobson.

COMMISSIONER DOBSON: Madam Chairman, this comment I hope people will kind of hold over to our discussion of our site visits and where we go, but Commissioner Wilhelm has pointed out in our meetings that perhaps the most predatory form of gambling are the video machine, the poker machines, and things like that that are put in truck stops and other places; that are not major gambling centers that don't for the most part, bring in tourists but suck money out of a local community without giving a whole lot back.

And I would hope that in our site visits that there would be some effort to do something other than go to the big, enormous Las Vegas, Atlantic City-type centers in order to examine these other aspects of gambling.

COMMISSIONER LANNI: Madam Chair?

CHAIRPERSON JAMES: Commissioner Lanni.

COMMISSIONER LANNI: I would just hope that Commissioner Dobson would wait until he's reached a conclusion of who's sucking what money from what community without giving anything back, until the
research maybe gives a little more clear view of that.

COMMISSIONER McCARTHY:  He's quoting Mr. Wilhelm in whom we've always found to be a reliable source of information.

(Laughter.)

COMMISSIONER WILHELM:  I'm going to write that down and save that for later.

CHAIRPERSON JAMES:  Commissioner Leone.

COMMISSIONER LEONE:  I've been struggling for the last several weeks with the fact that I have some, what I think are quite wonderful ideas for the research agenda, but they are impractical because of the money involved.

I think Congress in this case, given the significance of the issue and the paucity of information about a variety of topics, particularly on the economic side, has short-changed the American public by not providing us with the funds we need to do the research that ought to occur here.

Now having made my oratory statement I actually have a couple of specific ideas that I thought about as things that are not expensive.
They're difficult because the minute you move away from large-scale data gathering and research you enter into areas that to some extent, are more subjective, and I think therefore, the product will be subject to a different kind of interpretation or scrutiny.

But I want to make three suggestions that I think are not expensive and that might be useful. The first is, you know, the Act is written and a lot of the discussion about the public sector decisionmaking that has gone on and continues to go on, I think the Act overlooks an important factor in that.

I'm not naive. I know there's corruption; I know fundraising and other terrible necessities for people in public life can't help affecting the decisionmaking. But I've tried to think a lot about the changes in the culture and in our politics that have made it politic for states like Virginia and others to be so active in promoting a culture of gambling through lotteries and other things, and to support the introduction of gambling as a way -- to put it neutrally -- to raise more revenue for the
government; a way that is often seen as painless.

And I think that we might do an interesting survey -- I have some ideas about how this might be done but I leave it to others -- of public officials, past and present. And of the factors that have gone into decisionmaking and of their attitudes towards what they've gotten and what has been produced over time.

With a protection to some extent, of -- I mean, these conversations would be public, these results would be made public, but I don't think we necessarily have to attach names to them. It's an idea I got when we talked earlier about developing information on pathological gambling but then not saying, "and Joe Smith is the person we're talking about where this particular happened".

I think it's one of the more fascinating -- frankly, I'll indicate a bias in this -- troubling developments in the American public's fear of the last 30 years is in the pursuit of revenues; people who are supposed to be thinking in a very complicated mix of public values have generally moved in this direction.
I don't know what factors have gone into it, but I think it would be interesting to have a survey of that type, or even to arrange a hearing or set of hearings -- which obviously we'd do under confidentiality -- where we explored this issue with some people. Obviously, in this case, I think past elected officials and others would be better than present, and what they think the consequences are.

I think it's a big question because one of the things about gambling that is a fact is that we used to talk -- when the last Commission met, the great interest was in illegal gambling.

This Commission is meeting because gambling is legal in so many places, and whatever else has gone into it, this is -- you know, a man from Mars who met one of us who was upset about gambling might say, well gee, you ought to do what we do. You ought to do what we do -- you ought to elect your leaders and then they do what you want them to do.

(Laughter.)

Well, I feel that's a -- a man from Mars might say that about a great many things that are
produced by our public sector. But I think on this one, it's just an idea I leave to serious researchers to explore it with other people. Maybe it's so flawed and the product would be so flawed.

I have two other ideas that --

COMMISSIONER McCARTHY: Before you leave that --

COMMISSIONER LEONE: I just don't think we should not touch this question.

COMMISSIONER McCARTHY: No, I think Dr. Reuter wants to make a comment on your point.

DR. REUTER: This is very consistent with a comment that Commissioner Wilhelm made.

COMMISSIONER McCARTHY: Now you're in trouble.

DR. REUTER: In some ways it goes back to the comments that have been already made. You know, why is the Commission here? Something has changed fundamentally, and if the research is only focused on trees then forests don't get described and this is our mission.

It adds to our knowledge of what has
driven this -- whether it's appropriate as research or for a hearing -- I think it is a decent question. It would not be I think, a major expenditure, and if the Commission thought that that was really important I do think this is a reasonably standard academic kind of activity in which you could find the right public policy academic and a good research assistant and get it done if the Commission wants to do that.

I mean, I don't think that answers an important question, but that's just my view.

COMMISSIONER LEONE: I have two other thoughts that I think are even cheaper.

DR. REUTER: It could be done by a small foundation.

COMMISSIONER LEONE: That's right. We have so little time and the resource constraint, but there are two big areas of inquiry that I think the most we can do is collect information about other studies on: one is the economic impact; the other is the regulatory regimes that are in place here, and maybe even in other countries.

And I also would like to add, the
regulatory regimes -- which I hope is not too
threatening a word -- which we use in other areas of
risk in the futures markets or rise above it.

It seems to me if I were approaching these
independent of the Commission and I didn't have a lot
of money and I didn't have a lot of time, I would put
together panels -- of economists in the one case and
probably law school people and regulators -- to talk
about what's best in this.

What do we know about what works and what
doesn't work and what has adverse effects even though
it looks real on the surface, on what doesn't? And in
the case of the economists, what do we really know
about how to approach this?

Because among other things I think we want
to leave as far as possible, a rather precise research
agenda for universities, foundations, the government,
others who might want to follow up where we can't
answer a question.

And I think the economic impact is one of
those and I have found that economists are true to at
least one principle -- they're market-driven. If
there's a lot of research money around something tends
to get researched; if not, it tends not to get
researched.

We are not going to provoke a lot of
research on the economic impact of various kinds of
gambling because I think it differs depending on what
it is with the amount of money we might get, even if
we get an additional appropriation. But we might well
provoke other people to move in that direction by
developing an agenda, and to do that I think we need
some expert, outside assistance.

And so I think we might think about a
panel, whether it's -- if that's legally possible or
otherwise possible. After listening to the discussion
at the last meeting I'm afraid to meet with anybody
about this. But I think maybe there's a structure on
which we can proceed.

So those are my thoughts. I also add --
and others have said it but it's true -- the group
that has done the most good work for us so far is this
Research Committee. So it deserves a lot of credit
and people put in a lot of time. As somebody who was
invited to come to the meetings and couldn't, I admire your willingness to get together at various airport coffeeshops around the country.

COMMISSIONER McCARTHY: Thank you.
CHAIRPERSON JAMES: Other -- yes, John.
COMMISSIONER WILHELM: On Commissioner Leone's last point I kind of added to my areas of expertise the shape of windowless rooms in the Denver area, in deference to Jim's schedule which has been educational.

I wanted to differ slightly perhaps, emphasis at least, with Leo's comment about the fact that resource and time realities being what they are, we'll probably end up, you know, looking at those forms of gambling that are sort of big money, and if one of them is one-half a percent, maybe not.

I have a slight difference, at least in emphasis, on that point, and it has to do with the difference between the snapshot in time and trajectory. Because I think if you look at the realities of the expansion of legal forms of gambling, that they are a great deal more complicated than most
people appear to think. And they're not necessarily
related to the proportion of dollars being legally
gambled at a particular snapshot of time.

And as an example, if you look at
California. Californians, like all other Americans,
have apparently been gambling heavily -- both
illegally and legally -- for a long time and I presume
will continue to do so. It appears to be part of the
human condition.

But you know, for a while there was -- for
a long while -- there was a lot of pari-mutuel horse
racing activity in California and then the State in
its wisdom decided to get into the lottery sort of as
the lottery used to be thought of. You know, once a
week you went and bought a ticket, or something like
that.

And although there have been cardrooms in
California for a long time, cardrooms have certainly
sort of come into a newer and bigger generation. And
then the lottery in California, as in some other
places, has decided that it will be a lot more than,
you know, a ticket a week or even eight tickets a day,
And they've got these machines in bars and so on and so forth.

And then you've got a dramatic expansion in tribal casino gambling as well as bingos -- you know, going beyond churches and synagogues and into Indian reservations. So you've got all this stuff, and I think the question of, sort of what drives what and what are the things that work together to fuel the expansion of legalized gambling, is a very complicated question and I think it's a highly dynamic one.

If you look at New England, an area where I lived for a long time and know reasonably well, they did the same thing to me they did in Virginia. You know, I used to think -- the State motto in Connecticut is 'The Land of Steady Habits'. But you can't just look at Connecticut; you've got to look at Massachusetts next to it, and Massachusetts has got an extraordinarily aggressive form of lottery.

Somebody told me -- and I don't know if this is factual -- that the people of Massachusetts spend more money on the lottery per capita than anybody else. So I think that in looking at the
question of, what after all, brought this Commission about, what is it that is fueling the expansion of legal gambling, I think we've got to first of all, not lose sight of the benefits.

As a person who represents tens of thousands of workers who work in that industry, the benefits are significant and cannot be ignored. I think that Commissioner Leone's idea for a survey of public officials is a fascinating one, but I think in the end, we will fail if we lose sight of the highly dynamic character of what is driving the expansion of gambling.

As opposed to saying, well you know, a bunch of people are proposing casinos -- either because they want to make a lot of money or because they want to have a lot of tax revenue -- that's really so simple as to be really, an irrelevant approach to it, and I wasn't accusing anybody on the Commission of taking that approach.

But I think we've got to be very, very mindful, not just of dollar volume and snapshots in time, but of trajectory and of dynamics.
COMMISSIONER McCarthy: Madam Chair, Mr. Loescher --

CHAIRPERSON James: Mr. Loescher.

COMMISSIONER Loescher: Madam Chair, I don't know how -- you asked, you know, for questions of the presenters, but I have some comments and I don't know if you're willing to take them.

CHAIRPERSON James: We're open to take anything that's related to this subject.

COMMISSIONER Loescher: Madam Chairman, let me just walk through a number of my observations of reading through this paperwork in the full packet, which all the pieces sort of fit together when we come down to writing our report, and data gathering, and the research, and the hearings, and the budget, and all that. And I'd just like to sort of link them together in my thoughts.

One is that this business of the ACIR and the relationship and the dollars and whatnot, I have troubled feeling over the ACIR, and I know my friend, Senator Stevens tried to resurrect the ACIR and I'm not sure it's going to work coming through the Gaming
Commission, and I'd be willing to go chat with him about it.

But I see that we're trying to defer the ACIR in our process, yet it's a statutory thing they're supposed to do with them. I see some reluctance to do business with them. And I read their proposal and it's a proposal and I appreciate the proposal, but I have trouble with the budget, the overhead issues, and the fact that I don't get to see who the subcontractors are -- the employees.

It's important to me to know who's doing work for this Commission. And so I perceive that it's not a straightforward relationship, and I urge the commissioners to entertain the discussion about the ACIR.

If we're going to bypass them or subvert them or set them aside, let's do it straightforwardly and advise the Congress and the powers that be, that we want to do that, and then the Commission can find another way to take on the work that's in the Charter of the statute through which we're supposed to get assistance with these people.
DR. KELLY:  Madam Chair?
CHAIRPERSON JAMES:  Yes.
DR. KELLY:  Commissioner Loescher, if I could just call your attention to where this is addressed in the document, perhaps that would help with this concern.  It's on page 9.

COMMISSIONER LOESCHER:  I don't know about that. I'm just trying to reflect what I think.

DR. KELLY:  Okay.

COMMISSIONER LOESCHER:  The other thing is, the business of the emphasis of the apparent -- you guys call it research; I call preparing a report. That's our statutory mandate. And in our Charter which is in our binder, it lays out what the statute says and what we're supposed to be doing and whatnot. And it doesn't de-emphasize one thing over the other. It says, when we get done at the end of the day two year's hence, we're supposed to have a report that covers all these subjects.

And so I remind the Commission that maybe we ought to ask that our committee and our executive director and our research people take another look at
what we're doing, so that the product that this
Commission comes out with covers what the Congress
wanted, on behalf of the public.

And I believe that all forms of gaming
should be reflected in our report, not just casino
gaming.

The other is, I realize that we have
limited dollars and whatnot, and I view the survey as
kind of a dubious exercise. And even the presenters
in their writing, you know, are kind of curious or
concerned about what might come out of it and how it
will be viewed.

There are different kinds of gaming by
State and geographic area, and I'm not sure that by
survey, you know, a standardized survey, we're going
to cover the differences.

The other is the issues of opinion versus
fact. I'm wondering if the survey is going to get us
closer to the fact. Are we going to get a lot of
opinion, and then what kind of opinion are we going to
be getting?

The other thing about surveys is, what are
the questions? I think it's very important that this
Commission, if we get involved in the survey, that we
look at the questions very carefully and frame them
very carefully, because otherwise, I believe a survey
is no use.

I'm opposed to this survey -- I just don't
think it's the right exercise to get information and
I'm not sure that it's going to give us the balance
for our bucks that we have in limited resource here.

The other thing is, I spoke to Dr. Kelly
and I haven't had a chance to speak to Mr. Reuter --
and I'd like to -- but I kind of start differently
than where the committee is going, and maybe not so
differently than what the intent of what the executive
director and the staff might be.

But I think, you know, we start with what
is known, and I would like to suggest that we use part
of that $1.7 million that we have budgeted for staff,
to bring on staff who can look both externally --
meaning in the public resources -- and internally
within the Federal, state, and local government
resources, to define, what is gambling America.
Get the information about what is known,
and we put an emphasis over the next, let's say, six
to ten months to really get that database gathered,
and then you know, first rough draft, put that down as
a part of our initial report. If we could take that
step then I see the other tools that the Commission
has in statute can come into play.

I'm just saying, either simultaneously or
sequentially, we can add the research, that we can use
the hearing process that's allowed to us in the
statute, and then we can invite people to supplement
the database voluntarily, which we have the ability to
do. And then our site visits to fill the gaps of what
we know.

What I'm trying to say to the committee is
that, maybe I'm not reading your report correctly.
Maybe the emphasis is not there; maybe the definition
of these steps that I'm talking about are not
amplified in your paper and approach. But I really
believe that this is the way to go about preparing the
report -- not the research; the report -- which is our
target.
CHAIRPERSON JAMES: Could I ask just to stop there for a minute and see if either Dr. Reuter or Dr. Kelly would like to respond to that, and then we'll take up the next point you have.

DR. KELLY: If I could, Madam Chair, a couple of points come to mind and then I'm sure Dr. Reuter might want to join me here.

There are two of the issues that Commissioner Loescher just raised that I did want to bring to your attention. And we've discussed this and I do understand the validity of the concerns that are being raised.

However, on the issue of the ACIR role, I can assure you that neither the Chair, nor the subcommittee, nor we, have any desire to circumvent the legislation. The legislation does say that the ACIR will play a role in one of the portions of the research to be performed.

If you look on page 9 of the research agenda, under "Other Topics", it reads: "The Commission must undertake certain descriptive tasks"

-- I won't elaborate all of that. And then the
footnote states: "Some or all of this area of research may be performed through contracting with the ACIR.

So I believe that was the subcommittee's effort to, in fact, recognize the role that the ACIR will play in the final product. However, if you read the document, what the document is saying is that we will first focus on some of these other areas of concern and then come back to the question of identifying precisely what the role of the ACIR would be.

So I think it's not that the role of the ACIR has been taken off the table, it's just that it's been put at a second level to come back to once we have a clearer picture of what, in fact, is known.

CHAIRPERSON JAMES: Commissioner Bible.

COMMISSIONER BIBLE: As it relates to the ACIR, as I read the statute there's a mandate that they be involved in the one activity and that it's permissive beyond that. It's that they may provide assistance in the other activities that are enumerated in the statute, and I believe you captured that in
your subcommittee document.

DR. REUTER: Could I take on --

CHAIRPERSON JAMES: Dr. Reuter.

DR. REUTER: -- Commissioner Loescher's two broader comments: one about whether it's appropriate to have a research agenda that doesn't sort of start with a grounding in description of what is. And the second one is, what do we get from a survey?

And first of all, I would suggest that there is a timing issue which is, these research activities are going to be difficult to complete even if we start now, and to defer them for six to ten months would basically mean that we would not be able to undertake them.

I see them as research in support of the report writing activity itself, and the subcommittee certainly was choosing research activities that were supportive of the report writing that the Commission would have to do. And so, all of the interesting topics like Commissioner Leone's sort of were not included because they weren't really supporting the
report writing activity.

There are undoubtedly, some descriptive activities of the kind that you have mentioned, Commissioner, and we did not, in writing this document, dwell on them, simply because they are descriptive. They do need to be undertaken -- one seen really as being part of a research agenda which has to be -- that which some major decisions have to be made very early.

Secondly, with respect to the survey, the survey -- it's a survey of behavior, not of attitudes. It's not asking about opinions. An effort to acquiring -- what is now a very conventional way -- information about individual behaviors. And while this hasn't been done for gambling in recent years, it's done for a whole variety of other things.

And survey data, you know, have their limitations, but they certainly -- there's enough good public policy that has rested on survey data about behavior, not merely attitudes; that this seems to be, defensible.

And going back to the 1976 survey, the
Survey Research Center was able to replicate surprisingly closely, the total expenditures on legal gambling from answers provided in the survey; which is a very important source of validation of the survey data.

It certainly has its limits but there simply is no alternative at this stage for obtaining information about gambling behavior. And gambling behavior, you know, isn't the heart of this. Unless we know how people participate in these activities it's very hard to talk about the effect of changing policy and access.

COMMISSIONER LOESCHER: Madam Chairman.

CHAIRPERSON JAMES: Commissioner Loescher.

COMMISSIONER LOESCHER: Just a couple of things. We approved a contract with the National Research Council that deals with this issue -- behavior. Is that not so?

DR. REUTER: It deals with only one aspect of that behavior -- a very important one -- but it deals with problem and pathological gambling.

COMMISSIONER LOESCHER: Okay. So anyway,
just to continue, and maybe some of my points will
help what you're talking about. The issue of
contracting and whatnot, I believe there's a lot of
data -- I mean, the state governments, the tribal
governments are very sophisticated now in their
reporting requirements against authorized gaming in
whatever state there is. A lot of data on the
economics and the reporting and the types and whatnot.

And I really, you know, I really think we
ought to take advantage of that. The thing that
troubles me, that I'm concerned about, is that there's
no scoping for the hard work of preparing the factual
basis of what gaming in America is. There's no
scoping at this moment in our workplan.

And there is one aspect that bothers me
about that; is that the issue of what we do with
internal staff of the Commission, or we do contractor
work in certain areas. I'm not sure -- and it's a
legal question, legal/technical question -- whether
we're going to be able to secure information from the
various agencies of the government if we do it through
a contractor.
I think maybe that the internal staff of
the Commission is going to have to be the persons that
go to the FBI and Treasury and Justice and tribal
governments and the regulatory commissions and
whatnot, to get this information that may be
confidential and proprietary.
And to me, it's a question. I think
maybe, depending on how you determine it, the best
approach and the best way to establish our
relationships with these agencies, it may be that our
staff is to be beefed up in order to get this
information.
And I just offer that as a thought,
because I don't know, if a consultant comes to a
Native American reservation whether they're going to
give them the information, but I believe that if a
representative of the Commission comes, maybe we could
get some cooperation on that.
And we can just use that by example but I
think it's a concern, and I really would like to see
the hard data gathering for the basis of the report
gerent emphasis here.
The other point that I'd like to make is dealing with the budget. We have $1.7 million -- the way it looks on this budget -- for staff, and you've got a tiny staff and I looked at the resumes and I think they're great. You have a good start, but there's hardly any budget commitment to the staff.

And I'd like to know how you're going to use the rest of the $1.7 million, and give me a workplan -- what's going to happen and who are the people who are going to do it. That's not reflected here as we build the structure of our report and data gathering and research and hearings that we've got to do.

And then I agree with the commissioner that we already spent -- what is it -- 550,000 out of the 1.2 million, for --

COMMISSIONER DOBSON: It's 620.

COMMISSIONER LOESCHER: So 620,000 -- about half of that out of the research budget. So again, there is a budgetary question of how you employ these dollars to get the result that's in our Charter, our work Charter. And so I don't see any information
as to how we're going to do that.

Where is the status of this request to Congress? Did we actually file that, and what is going to happen?

COMMISSIONER McCARTHY: Could I address that, Madam --

CHAIRPERSON JAMES: You certainly may.

COMMISSIONER LOESCHER: Okay, let me finish my last couple of things here. The issue of Congress. It's apparent to me that we may have to go back and ask Congress a number of questions and see if they can give us some help. I know some people say, ah we don't want an extension of time, but maybe there's a need for an extension of time.

Some people say we need another million dollars. I don't know, because I don't have a complete workplan that says we need another million dollars but maybe we do; I don't know. FACA; maybe we can clarify that. Electronic gaming and bankruptcy; maybe we can eliminate that from our charge with the Congress.

And then this ACIR question might be a
question that we could clarify with the Congress. But I don't have any problem going to the Congress and asking for some remedial, clarifying language for the statute.

And then lastly, at the last Commission meeting I had distributed to the Commission and to the staff, a paper from the National Indian Gaming Association, NIGA. I had requested of NIGA as a courtesy, and the question was this: if you were to respond to the Study Commission's Charter under the statute, how would you go about doing that?

And as a gesture of good will they responded to me in writing and I distributed their thought to you. And I certainly would like to request that the committee and the executive director and the advisors that we have here, to take that gesture of good will, of their cooperation, and their thought pattern of how to approach a response for the Native American component of our report, and see if we couldn't accomplish what we're trying to accomplish with their good will and to match what you all are trying to do.
And I would like to elevate that thought to the committee and to the executive director. And basically, Madam Chairman, that's all I have to say about my perceptions of this process.

CHAIRPERSON JAMES: Dr. Kelly.

DR. KELLY: Yes, Madam Chair, I would like to offer some thoughts in response, and again, we've been discussing this over the last few hours, if not few days, and these are some complex issues.

But let me begin by recognizing I think, one of the things that you're saying, Commission Loescher, is that NIGA and you are willing and eager to help with the work of the Commission and the work of the research component of the Commission. And I know I speak for the Commission when I say we're very appreciative of that, and if it seems that we haven't been, that might be that there's been some miscommunications.

But as we discussed earlier, I'd be glad to work one-on-one with whoever you might designate or with yourself, in order to make sure that we communicate clearly on that point. But we welcome
your input and your data.

And towards that end I would call your attention to again, something that's in the Research agenda; it's on page 7, in the middle of that -- under this third section on the industry -- it's right in the middle of the page.

And it's just a quick statement but it's important because it signals the fact that we, the subcommittee and we ourselves, have tried to be sensitive to the research questions that were raised in the NIGA document.

Now, if we missed something I do apologize and we would be glad to work on that, but that statement says: "Industry data will be helpful in addressing issues raised by the NIGA concerning" -- and it goes on to detail what the issues are. But the point of the matter is that we tried to incorporate those specific research questions that we culled from the NIGA document, and will continue to do so.

A second point I wanted to make, if you would look on page 5 of the document -- page 5 of the Research Agenda. At the top of that page I think it's
the Research Subcommittee trying to say, I think, what
you're saying -- only with different terminology.

It reads like this: "Though the vast
majority of these data are available from official
agencies, the creation of this database is a major
research activity because so much local data is not
available from a central source".

For example, crime report, arrest data,
and theory available through jurisdictions from the
FBI and others -- it talks about the difficulties of
getting this but that we will get this data.

So I think that perhaps we're saying
something of the same thing with different
terminology, and I would like to suggest that maybe
one way to address your concern would be to think in
terms of the timeline that is outlined just in summary
fashion on page 12. And maybe what you're saying is,
let's make sure before we jump into secondary
research, that we've had time to review what is known.

I'm sure that is the intent already, of
the subcommittee, but maybe we need to highlight that
a little more in order to address your concern. But
I'm feeling like there's not that much difference between what you're recommending and what the intent is of this document.

COMMISSIONER LANNI: Madam Chair?
CHAIRPERSON JAMES: Commissioner Lanni.
COMMISSIONER LANNI: I'd like to move that we accept the proposed Research Agenda as submitted by Chairman of the subcommittee, Mr. McCarthy.
CHAIRPERSON JAMES: Is there a second?
COMMISSIONER McCARTHY: Second.
CHAIRPERSON JAMES: So moved and seconded.

Any discussion?
COMMISSIONER McCARTHY: May I make this closing argument, because I want Mr. Loescher's support. Number 1, we did move early on the National Academy of Science's Synthesis of Existing Literature and Pathological Gambling. That was one of the two areas that was in the language of the enabling statute. It was one subject, as Dr. Reuter pointed out -- it was easier at the time to handle, in my point of view.

Connected with this, there is no exclusion
of ACIR. I'm not sure where that came from. There are undoubtedly -- there are several members of the Commission that were puzzled by the fact that ACIR went out of existence and then was restored by being linked to this Commission.

From my point of view, I've had a series of exchanges with Mr. Griffiths, the executive director. He's given me intelligent comments in how he would undertake analyses of certain issues. But the scope of the research that should be undertaken by this Commission is not limited to the research that was identified in the enabling statute.

What's critical here is that we have a responsibility, looking at the totality of gambling in America, to try to define what the research should be. And the four corners of that research aren't limited to what Congress listed, specifically. In my view, we now have before us, at least an outline. The next step is project design and budget estimating -- which you've mentioned a couple of times, quite appropriately.

Of course project design and budget
estimation has to be brought back to the Commission.

This is what I said in our October 8th memo to all commissioners; this is what Mr. Bible referred to about half-an-hour ago that I reinforced; that that's the plan.

You're quite right. Knowing what the project design is and knowing what the budget estimates are for these -- the only one we can really come close to estimating now is the National Survey. That's why we're asking for permission to at least take the preliminary steps of trying to develop requests for RFPs; that we begin to undertake that.

We're going to have to do work in the next 30 to 60 days to come up with more refined estimates of what the budget estimates would be of these other things. That's information you deserve and every other member of the Commission deserves, and that's the next step coming out of the subcommittee on Research, with the help of Drs. Reuter and Kelly.

I hope I've addressed that one satisfactorily --

COMMISSIONER LOESCHER: Madam Chairman,
can you assure the chairman of the committee that he
has my vote subject to him at least acknowledging my
comments?

(Laughter.)

CHAIRPERSON JAMES: Having said that, I'll
--

COMMISSIONER McCARTHY: I have one more
thing today. I need the help -- and I'm joined by my
two colleagues on the subcommittee on Research --
Madam Chair, I need the help of every member of this
Commission in whatever we may attempt to do to seek
help from the members of Congress to try to get
additional funding.

I hope we can feel that we have that. I'm
thinking of the friendships and the appointing powers
and so on; we certainly should be able to get the
attention of people in the Senate and the House.

After we vote on this, if it has full Commission
support, there's only in effect, one week left in
which a conference committee is even considering --
it's the conference committee on Treasury, State,
Commerce, and related agencies.
I would, Madam Chair -- I know you've already been paying a lot of attention to this -- I would like to work with you and be able to call the individual members of the Commission and ask their help in contacting the appropriate members of the Senate and the House to try to at least get their attention to this and look at this.

We need to formulate a strategy as to how we address the funding for this research that will be undertaken.

COMMISSIONER WILHELM: Was that in reference to the million that was referred to?

CHAIRPERSON JAMES: Yes.

COMMISSIONER McCARTHY: Well -- oh, someone asked a question earlier -- thank you; I had forgotten this. Senator Dan Coats of Indiana -- on his own initiative -- I want to emphasize that; not at the request of any member of this Commission -- on his own initiative spoke apparently, to the leadership on the Senate side dealing with this appropriation measure in conference committee and asked that a million dollars be put in. But he did that on his own
initiative.

Frankly, had I known that anybody was going to make a suggestion, I would have talked to all of you and said, let's ask for three million. But you know, I don't know what flexibility there is in the circumstances that now exist; I don't know what support there is for the million -- not to mind three million.

And I think frankly, when we get the budget estimates refined on the research, we'll have a much stronger position to be able to talk about any additional number. I want to remind everybody that what was given to our predecessor Commission 22 years ago is far more in terms of purchasing power then compared to purchasing power now; far more than what was given to this Commission to do work trying to assess the economic and social consequences of an industry that has grown tenfold since our predecessor Commission looked at this problem.

So this is a serious matter and I really am hoping, Madam Chair, coordinating with you, that I, on behalf of the subcommittee and working with the two
subcommittee members, can call upon any member of this
Commission to try to help in the strategy of this.

CHAIRPERSON JAMES: Let me thank
Commissioners. It would not be my choice to have to
ask you for feedback as quickly as we did for that,
but Commissioner McCarthy thought it was important
that that letter get up to Capitol Hill expeditiously,
and that it would probably carry more weight if it
were signed both by the Chair of this Commission and
by the Research Subcommittee. And so that letter did
go forward and we are following that very closely, and
appreciate your support in moving forward.

Commissioner Wilhelm.

COMMISSIONER WILHELM: As I indicated to
you, Kay, when we talked on the phone about this, I
was pleased to support this with the understanding
that if the million were obtained that it would go to
Research and I was compelled to do that out of the
discipline imposed by my Research Subcommittee
Chairman.

But I can't refrain from saying, Leo, that
you're one of the tiny band of people on this
Commission who could even make that pitch with a
straight face since nearly everybody here is always
talking about cutting government spending.

CHAIRPERSON JAMES: Well, there was no
lobbying that needed to be done in terms of how
important this issue is and how the resources are
needed to research it. And I think there was a pretty
strong consensus among commissioners to that end.

I think we have a Motion before us and it
has been seconded. I'd like to call for the question.

All in favor?

(Chorus of ayes.)

Any opposed?

(None.)

The Commission has accepted the
Subcommittee's Research Report, and just to restate
where I believe we are at this point, the subcommittee
will now go back as a result of the acceptance of your
report, and look at costing out pieces of it,
prioritizing, and coming back to some suggestions to
the full committee with how we should proceed from
here.
COMMISSIONER LOESCHER: I want to emphasize one thing, Madam Chair. In dealing with the National Survey, on page 2 we do recommend that the staff begin immediately inquiry into the options for the conduct of such a survey, as well as discussions with other Federal agencies that might be willing to provide funds.

Now, this Commission may not have another meeting until January. You'll address that before we leave here today. We may have some appropriate information in a month and I may suggest to you that we have a conference call involving the commissioners so we can get back to them, instead of suggesting a face-to-face Commission meeting with my colleague all the way here from Alaska.

So if that's understood -- because we want to get this thing going; we're running out of time doing this research. With that understanding.

CHAIRPERSON JAMES: With that understanding. Thank you. I appreciate your hard work and your presentation to the Commission, today.

We, at our last meeting, had a
presentation from ACIR and asked if they would come
back at this meeting and give us an update on where
they are in their perspective workplans, and so at
this point I'd like to ask Mr. Griffiths if he would
come forward.

Welcome.

MR. GRIFFITHS: I'm glad I came in when I
did. I was expecting not to be on until about 1:30.
I guess I have to ask a question. You just voted on
a Research plan, so exactly what is it that you want
from me at this point? I assume everybody has read
our proposal. Can I assume that?

CHAIRPERSON JAMES: Yes, and we'd like at
this point perhaps, if you --

MR. GRIFFITHS: Be able to ask some
questions?

CHAIRPERSON JAMES: -- can walk us through
any of that and have commissioners have the
opportunity to ask any questions that they may have.

COMMISSIONER LOESCHER: May I suggest,

Madam Chair --

CHAIRPERSON JAMES: Absolutely.
COMMISSIONER LOESCHER: May I give a thought that I have? The next step will be that Dr. Reuter with Dr. Kelly, will be talking to you and to others as they start to develop what you just heard us talking about here -- the next phase: project design, budget estimates. Now obviously, you've got something tangible that they can look at.

But they don't from any other source on other aspects of the work which are totally outside the scope of the thing that you've been talking about, so they need to be able to get some of those pieces in place to integrate this thing together to see where we're going. And frankly then, to be in a better position to talk to members of Congress as well; see how we get more funding.

CHAIRPERSON JAMES: If you have any opening comments, and then we'll open it up for discussion.

MR. GRIFFITHS: Well, what I'll do is, I'll simply outline what we did without going through it task by task, and then I would assume that if anyone has questions on a specific task or approach,
that I'd be happy to answer those questions.

When we wrote the research prospectus we were asked to do it in two parts. One part dealt with task 7.A, which is Section 7 of the Act. Task A which is where we would review and collect laws, regulations, applicable to Federal, state, local government, and Indian tribes, related to gambling.

That would also probably include appropriate constitutional provisions as well as -- we recommend anyway -- court decisions, because court decisions have had a great bearing on what state and local government officials have to do at times.

The second part then, was to take a look at Section 4, and the tasks under Section 4 which are associated with our Commission in the law. And I was also asked to include task F, which is the one on electronic gambling, because there are fairly important inter-governmental as well as international, implications in that task.

So we presented the report in two parts: 7.A and then we did it for Section 4. And we divided each of the tasks into two parts. One was the
background which we tried to identify the critical
issues and explain and discuss the subject matter.
And then we had a part on research tasks -- or the
research task -- where we tried to provide our
objectives, methodology, study considerations, and
deliverables.

I might mention that, in the first,
introductory section of our report, I tried to make
the point that on all of the tasks you have to
approach Indian gaming a little differently, because
the issues, the perspectives, the problems and
processes are slightly different in that case. So in
every one of the tasks that we address in the report
there is a section in there where we try to address
the Indian issue as well.

In the methodology that we propose on all
of the tasks, we do not propose original research.
That seemed to be out. There wasn't time, there
wasn't money. So we relied rather, on surveys,
literature, and electronic searches in consultation
with appropriate, national organizations and gambling
experts. The surveys of course, would go to state and
local governments, appropriate experts, and Indian tribes.

The methodology -- I mean, we struggled with this because we realized we had limited time and limited resources. We tried to make in each task, the research manageable. In our first paper that I think we presented with that, when you had a meeting -- your prior meeting -- we asked a lot of questions. We didn't know what we wanted to do by limiting the research; we thought that was something that you would want to be involved with, so we simply asked questions.

This time we simply recommended how we would limit the research. For example, the task of collecting all Federal, state and local laws and regulations -- not to mention constitutional provisions and court decisions -- as well as Indian tribal regulations or law, whatever we may find -- that would be an enormous task. I mean, that would take a long, long time.

And in addition, we were told to "catalogue the results", and by that we assumed that
we were talking about a database. So we tried in the
methodology, to show you how we would limit the scope
of that work to make it manageable and yet still make
it effective.

The issue on gambling revenues is another
example -- or in the second, part 4.B when we talk
about economic cost, if we tried to take that from its
broadest perspective, the cost would be substantial
and the time probably would not be sufficient to do
that. And so we tried to show you in that
description, how we would limit our definition of
costs and economic costs so that the research would be
manageable in the timeframe.

I also talked with Dr. Kelly about the
cooperation we would give to the Commission, the
concern being that as we did our research, given the
time constraints, that if there wasn't close
cooperation and coordination that the delivering of
the data may not be sufficiently in time to meet your
timeframe.

So I promised him without fingers crossed,
that we'd be more than happy to provide all of the
briefings, all of the interim reports that you would request, so that you would be kept up on the progress of our research.

I'll mention a little bit about the budget, as I know it's a sensitive issue. I struggled with this because I know you're between a rock and a hard place as far as your resources go, and I know that there has been concern about the weight of our Commission on that budget, and I sympathize extremely with that. I therefore, worked as much as I could to keep those costs down, and I've probably gone out on a limb in some respects.

The overhead I know, is the one issue that you were all concerned about. We can't get rid of the fact that we have some fixed costs; however, we do have some other funds and I believe that we can add to those funds over the next 12 to 14 months.

So I went out on a limb and tried to lower the cost of the research by simply promising that you would not be asked to pay for any more than 50 percent of what our true, fixed, overhead costs are. I'll pick up the rest -- I hope -- with the funds that we
have and the funds that we hope to bring in.

We too, by the way -- you're talking about going to the Congress -- we've been making some inquiries about whether or not we can get our legislation modified so that we can actually pick up some other contractual activity. If we could do that, obviously that would lower the cost even further because then more things would be sharing the overhead than just the one project.

We've had a number of people come to us and ask us to actually do other things and we've had to turn them down. So if we can get something in our legislation that says that you can undertake other contractual activity, we would then be able to, I think, offer more for less -- I love that statement.

And the budget that we presented to you, which was budget for 7.A and then a budget for the other tasks -- 7.A looks pretty bad because all of our costs are obviously included into one task, including the overhead and all of our staffing costs.

If we were asked to undertake other tasks -- 7.A, perhaps two or more tasks under 4 -- then of
course we spread those costs out and it doesn't look
nearly as high per task. So obviously, the most cost
effective approach for us would be to spread the costs
across several different tasks.

So we have tried to minimize it to the
best that I can. I'd be more than happy to answer
specific questions about specific tasks.

CHAIRPERSON JAMES: Any questions?

COMMISSIONER LANNI: I have one, Madam Chair.

CHAIRPERSON JAMES: Commissioner Lanni.

COMMISSIONER LANNI: Relative to other
individuals coming to you or entities coming to you
and asking for your taking on additional tasks, are
you suggesting that if you were to consider taking on
additional tasks that you would come back before this
Commission or staff to determine or define what it is
you would be asked to do, how much effect that would
have on your resources, and for this Commission or the
staff to evaluate?

MR. GRIFFITHS: Well, yes. Right now we
have a very limited staff; we obviously have fixed
overhead. Even though we're only asking that you pick
up a part of our overhead, still, that part has to be
spread across this one Commission. Our staff would
all be devoted to this project.

If we had other contracts the overhead
would then be spread across additional contracts and
staff resources could then be also spread across other
resources while bringing in some other help.

I've run basically, a contract granting
organization for over 16 years, and I can tell you
that if we were able to bring in more contracts, the
costs to this Commission would be less -- for the same
amount of work.

COMMISSIONER LANNI: Maybe I can restate
my question. My question really pertained more to, if
you are to take on additional contracts beyond this
particular contract -- which I understand at this
point is the one that you are mandated -- or we are
mandated, relative to you --

MR. GRIFFITHS: Yes.

COMMISSIONER LANNI: -- my question was,
are you going to come before this Commission and
staff, its Chairman, to explain what task you've been
asked to take on, for this Commission to evaluate, in
its opinion, your ability to do that and also fulfill
the function that's required here? That was my
question.

MR. GRIFFITHS: The answer is yes. I
think it's a very fair concern on your part.

COMMISSIONER LANNI: Thank you.

CHAIRPERSON JAMES: I'd like to ask the
members of the Research Subcommittee how they would
like to proceed at this point. I have a suggestion,
but I'd like --

COMMISSIONER LOESCHER: I think how we'd
like to proceed is what I referred to earlier. Dr.
Reuter and Dr. Kelly will now begin to do their work.
They're going to be staying in close contact with the
three members of the subcommittee. The ACIR, as that
work develops, will be brought into our considerations
as a part of, you know, our integrated approach to how
we do the rest of the research.

CHAIRPERSON JAMES: Right. I think in all
fairness to ACIR, as quickly as we can, what we need
to do is to figure out how that's going to be integrated so that we can get to the contractual phase and get those issues resolved so that they can --

COMMISSIONER LOESCHER: Project design is the next critical piece and that's where, when we get further down the road on that, that's how we're able to relate these pieces together, and ACIR could be a part of that.

CHAIRPERSON JAMES: Dr. Dobson.

COMMISSIONER DOBSON: I will -- I'd like to put on the record why I will oppose the proposal as it's now written. The research contract that's been proposed is $919,000. We've already committed $620,000. Those two together make over 1.5 million; we only have 1.22.

So we would already be broke for the entire proposal that we just submitted, and will not have produced any original research. We will only have massaged what is already known. And I think that would not be a satisfactory conclusion to this Commission.

The ACIR also proposes to rely almost
exclusively on outside consultants for its tasks, and so it is primarily just a middle-man, and a very expensive one at that.

In regard to the consultants that are proposed to be used, one person who is named specifically by the ACIR is Whittier law professor, Nelson Rose. The Columbia Journalism Review reported in 1994 that for the past three years Rose has been a partner in a plan to develop a string of Indian-owned casinos in Southern California. This is in another document as well.

There are eight or ten reasons of this nature why the proposal that's on the table will not be acceptable to me, and I will vote against it.

CHAIRPERSON JAMES: Well, we're not asking for a vote on that proposal just yet, but I --

COMMISSIONER DOBSON: I understand. I simply wanted to put that on the record.

CHAIRPERSON JAMES: Absolutely. And I think it's important for Commissioners who have other objections to express those objections at this point so that as the Research staff begins to work with ACIR
they can address those issues. So Dr. Dobson, I think it's entirely appropriate. If there are others, you express them at this time.

COMMISSIONER LEONE: I only have a comment. I think Dr. Dobson was actually correct when he opposed the original commitment of $600,000. I voted for it because I knew time was a factor. But this -- we really -- there has to be harmony between our budget and our commitments.

We might want to re-orient the budget to put more money into research. I don't know if that's possible. But I think that you don't have to get into any detail to say that at some point we're going to need a Research proposal which fits within what remains in our budget. And at this point that's $600,000 not $900,000.

So I think -- I hope we don't get to that point, but I don't think we can do much without coming into harmony on those two pieces of the issue.

CHAIRPERSON JAMES: No question.

MR. GRIFFITHS: I would appreciate it too, if -- the information that you just mentioned, I did
not know. But I would like to know that; it would
help me as well.

COMMISSIONER DOBSON: I'll be happy to
provide that to you. Now -- may I continue --

CHAIRPERSON JAMES: Absolutely, Dr.

Dobson.

COMMISSIONER DOBSON: There very well may
be other contractual relationships with ACIR that I
could support. What I'm speaking to today is this
$900,000 proposal which does not fit in the budget as
I see it.

MR. GRIFFITHS: Well, in all fairness, the
Chairman did not ask me to submit a proposal for all
of those for you to be considered. The 900,000 was if
you gave us all the tasks this is what it would cost,
but honestly, that's why she had me break it into two
parts.

If you just did 7.A what would that cost,
and if you just -- I think the way they wanted it, but
I didn't have the time to develop all those
combinations of budget -- was, what if you did 7.A,
if you did 4.B and 4.A? I mean, the combinations and
permutations were rather large and so I tried to --

COMMISSIONER DOBSON: It is my -- again,
may I?

CHAIRPERSON JAMES: Absolutely.

COMMISSIONER DOBSON: My understanding in
reading the correspondence between you and Dr. Kelly,
that he did express some financial concerns and asked
for accommodation on some of those items. And your
answer to most of those was no. Your response to
cutting overhead or doing other things to help us get
a total down that we could deal with was, these are
reasonable and this is the way -- this is how we have
to function.

MR. GRIFFITHS: Well, I did submit a
couple of different proposals to Dr. Kelly. The last
one was after a lot of soul searching. I did tell him
that the last one I submitted, if I went any lower it
was unrealistic. I would go bankrupt; I couldn't do
it. But --

COMMISSIONER DOBSON: And if we accept it,
we're bankrupt.
MR. GRIFFITHS: Well, unless of course, that I could find some other funding, which is another issue. But I don't think if you contracted with the National Research Council or if you contracted with a university, or you contract with anybody, I honestly don't think what we proposed as the final overhead figure is out of line with any other figure you're going to get.

In fact -- I won't say it, because I mean, I just -- I know that's it's probably fairly competitive because we're hiding a lot of stuff that we're not charging for, whereas the others may not be quite as generous to hide all of that.

CHAIRPERSON JAMES: Just for a point of clarification for the full Commission, in the estimated budgets that were submitted to us by ACIR, 919 was for all tasks, and I did ask them to separate it out so that we would have the opportunity -- and you may look at that and see that the lower figure of 467,000 is there.

What I'm suggesting at this point is that the Research Subcommittee incorporates components of
what -- and make a recommendation back to this Commission -- about what components of this, if any, should be included in the overall research scheme and have that as a part of the telephone call or however we get the next step done.

Leo, you look confused --

COMMISSIONER LOESCHER: No, I've stated exactly that, twice.

CHAIRPERSON JAMES: Absolutely. And I want to be sure that that's where we are. Okay, thank you very much. We appreciate your being here today.

We look forward to hearing from the Research Subcommittee and we'll facilitate that happening in a way that will accommodate the varied schedules that exist among our Commissioners.

We do have a few other small items of business to discuss, and in case the audience hadn't noticed, we sort of made the decision to keep following through and see how much we could get done, and we have continued to work through lunch.

With that, if you'll notice under the New Business section of the agenda, we have covered the