

1 UNITED STATES OF AMERICA

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5 NATIONAL GAMBLING IMPACT STUDY COMMISSION

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9 SIXTH ON-SITE MEETING

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12
13 TUESDAY,

14
15 NOVEMBER 10, 1998

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18
19 LAS VEGAS, NEVADA

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23 The Commission met at the MGM Grand Hotel
24 and Casino, 121-123 Grand Ballroom, 3799 Las Vegas
25 Boulevard, South, Las Vegas, Nevada, Kay C. James,
26 chairperson, presiding.

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1 COMMISSION MEMBERS PRESENT:

2
3 KAY C. JAMES, Chairperson
4 WILLIAM A. BIBLE
5 JAMES C. DOBSON
6 TERRENCE LANNI
7 RICHARD E. LEONE
8 ROBERT W. LOESCHER
9 LEO T. MCCARTHY
10 PAUL H. MOORE
11 JOHN W. WILHELM
12
13

14 STAFF MEMBERS PRESENT:

15
16 TIMOTHY A. KELLY, Ph.D. Executive Director
17 JOHN SHOSKY, Ph.D. Deputy Director
18 TIMOTHY BIDWILL, Esq. Special Assistant to the
19 Chair
20 CRAIG STEVENS Logistics and Communications
21 Coordinator
22 KATHERINE SPILDE, Ph.D. Policy Analyst/Writer
23 VALERIE A. RICE Research Analyst/Writer
24 JANET NEWKIRK Administrative Assistant
25 DEBORAH DUCRE Secretary
26

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1 P-R-O-C-E-E-D-I-N-G-S

2 CHAIRPERSON JAMES: Good morning and welcome to the
3 National Gambling Impact Study Commission. My name is Kay James
4 and on behalf of the Commission, I'd like very much to call this
5 meeting to order and to declare that we, in fact, do have a
6 quorum here to conduct business.

7 I am pleased to be here today in Las Vegas, by some
8 measure, the capital of the American gambling industry, to
9 conclude our series of site visits to communities throughout the
10 nation. I'd normally take this time to explain the Commission
11 and its history but some of the depictions of the Commission by
12 the media here in Nevada have been so amusing that I think I
13 should correct the record.

14 I think it ought to be abundantly clear by now with
15 our time that we've spent here and with the strong
16 representation of Commissioner John Wilhelm on this Commission,
17 we're not here to take anybody's job. He just wouldn't let that
18 happen. Second, we're not here to discuss the morality of
19 gambling. That is a very important subject and one that I hope
20 will be addressed by the American people, but we have been
21 mandated by Congress to look at the social and the economic
22 impacts of gambling.

23 Third, we do not have an agenda except to collect
24 the information that will allow us to consider just that
25 information. And finally, we have no power to do anything in
26 spite of what you may have heard or seen except to make

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1 recommendations to the President, Congress, and to Tribal
2 Governments. For the benefit of those of you who have been just
3 so gracious to us, we have not at all felt like unwanted guests.
4 We have been warmly received by so many of you and it is very
5 much appreciated.

6 As a matter of fact, it's been a truly grand day.
7 And I do want to make sure that you understand that Las Vegas
8 was not an add-on as was reported by some this morning. It was
9 always the intent of the chair to come to Las Vegas. It was a
10 decision to make this our final and sort of the crown jewel of
11 our site visits and it was always the intent to come here.

12 I'm grateful that Cox Television is covering this
13 meeting from opening to closing. While most of our audience
14 today understand the complications of legalized gambling, this
15 is an issue which is being considered in many jurisdictions,
16 often
17 with much misperception and little accurate information.

18 When gambling was last studied by the Federal
19 Government in 1976, few states had legalized gambling. Today
20 gambling is legal in one form or another in all but two states
21 and 38 states themselves operate some type of lottery.
22 Legalized gambling has grown into a \$600 billion industry and
23 understandably, many communities are seeking information about
24 the benefits and the costs of gambling.

25 The Commission is now gathering the information to
26 help public policy makers understand the nature, the scope and

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1 the impact of legalized gambling. This Commission was created
2 by Congress in 1996 to conduct a comprehensive legal and factual
3 study of the social and economic impacts of gambling in the
4 United States on governments, communities, businesses and
5 individuals. The nine members of the Commission were appointed
6 by the President, the Speaker of the House, and the Senate
7 Majority Leader and obviously, Nevada is well-represented with a
8 former regulator -- where's Bill -- a casino executive,
9 Commissioner Lanni and representatives of employees,
10 Commissioner
11 Wilhelm.

12 We have learned much from these gentlemen and they
13 have contributed a great deal to our discussions and to our
14 deliberations. Previously we've conducted three meetings in
15 Washington, D.C. We've also traveled to Atlantic City, Boston,
16 Chicago, San Diego, Phoenix, Biloxi and New Orleans to conduct
17 on-site hearings. These site visits will aid us in our main
18 task which is the submission of a final report to the President,
19 the Congress and the nation in June of 1999.

20 I should tell you that when the Commission developed
21 its schedule of site visits, as I said, we did not intend to
22 visit every type of gambling establishment across the country.
23 To do so would take us far longer than two years. We recognize
24 that there are important distinctions among and between the
25 various types of casinos, betting parlors, and lottery games.
26 We recognize these differences and will continue to work to

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1 understand them but our principal task is to study the social
2 and economic impact of legalized gambling on our nation; and
3 that's why we came to Las Vegas.

4 Of course, for many people Las Vegas is the symbol
5 and despite what some politicians and misinformed reporters may
6 tell you, it was our intent, as I said, to come here all along.
7 We've already heard from the industry in Atlantic City and from
8 emerging centers of gambling in Mississippi and elsewhere.
9 We've consulted with Native American tribal leaders and with
10 this background we are better prepared to study the evolution
11 and significance of the Nevada gaming industry.

12 You have a tremendous story to tell here in Las
13 Vegas. Your regulatory system is a model for other
14 jurisdictions. Jobs with meaningful wages are plentiful and
15 taxes are low. And behind the statistics are stories of real
16 people. At the Culinary Workers' training program I met a man
17 who wanted a good job so badly that he left his home at 5:00
18 a.m. to walk to the center because he couldn't afford
19 transportation. And today, because of the determination of the
20 Culinary Workers' programs that employee is now working and is
21 buying his first home.

22 This is one of the few job programs that I've seen
23 that does not take any real government funds and succeeds in
24 training individuals for real jobs that can support their
25 families. With the fantastic restaurants, shops and shows that
26 surround us, the Four Tops were really very good, you have

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1 indeed succeeded, as Steve Wynn said to me yesterday, "in
2 creating a destination that is far more than gaming."

3 But this success is not without a price. Your mayor
4 is a passionate spokesperson for the many positive contributions
5 of gambling, but she also has raised awareness about the
6 implications of slot machines in neighborhood grocery stores,
7 convenience stores, and drug stores. And to their credit, some
8 in the industry have long considered problem gambling as a
9 concern but until recently this is not being addressed in a
10 widespread manner.

11 I know that this raises difficult questions but I
12 believe answers can be found through initiative. Last evening I
13 attended a treatment session at Trimeridian Treatment Center.
14 There I listened to the personal stories of individuals
15 struggling to repair their lives, their livelihoods and families
16 after the difficulties they developed through compulsive
17 gambling. Their stories were moving and reminded me that
18 treatment does work and that triumph over addiction and
19 compulsion can, in fact, be achieved.

20 None of this, of course, is new to you, the citizens
21 of Nevada. We're not here to tell you anything. Rather we are
22 here to listen to your experiences and to learn from them. I
23 will remind you that spirited debate and differences of opinion
24 are expected and, indeed, encouraged. We have invited experts
25 from the academy, the legal community, the gaming industry, and
26 business who have much to tell us; and often what they say will

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1 be subject to disagreement and further discussion. We've
2 invited government officials who can enlighten us about the
3 variables that weigh heavily on public policy making decisions.
4 We have invited advocates for and against legalized gambling in
5 order to get a full range of opinions.

6 And we have invited citizens, who have a compelling
7 story to tell us. Each person who will testify today has a
8 viewpoint that this Commission wants to hear and to fairly --
9 offer them the opportunity to be fairly and respectfully heard.
10 We've crafted panels to allow for a focused discussion. We will
11 begin with statements by the governor and by federal officials.
12 Our opening panel concerns sports wagering. We will then look
13 at gambling and local communities. This afternoon we will hear
14 from other elected officials. We will conclude our day with a
15 panel on gambling and employment.

16 Tomorrow we will consider the issues of adolescent
17 gambling, promotions and advertising, the availability and use
18 of credit, and we will hear testimony on the Nevada regulatory
19 model. In our discussions my responsibility as chair is to
20 protect the right of all sides to be heard. I would ask that
21 everyone participating today, including each member of the
22 audience be respectful, civil, and fair to each other as we are
23 hearing this testimony.

24 As the dean of a graduate school of government, I
25 teach our students that sound public policy involves the clash
26 of ideas and the debate. This is the very hallmark of our

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1 shared American democratic tradition. In closing, I'd like to
2 express our appreciation to Governor Bob Miller and to Mayor Jan
3 Jones for their assistance with this meeting. As some of you
4 know, the governor began preparing for this meeting several
5 months ago bringing together a large number of individuals whose
6 input has been critical to the preparation of this visit and has
7 been working closely with the Commission to identify issues and
8 panelists.

9 The Commission is very grateful for these efforts.
10 There's much that we can learn here. Finally, I'd like to thank
11 the Commission's staff and the many others involved in making
12 this meeting possible. And, of course, we're grateful to our
13 fellow commissioner, Terry Lanni and his staff at the impressive
14 MGM Grand for facilitating this meeting. It has been truly
15 wonderful and we have been warmly received.

16 With that, I'd like to welcome the governor of
17 Nevada, Governor Miller. Thank you so much for joining us
18 today, Governor.

19 (Applause.)

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