

1 CHAIRPERSON JAMES: We will begin with the Senior
2 Senator from Nevada, Senator Harry Reid. And again, Senator,
3 thank you so much for being here.

4 SENATOR REID: Madame Chair, members of
5 the Commission, when I was Chairman of the Nevada Gaming
6 Commission, then Governor Brendon Burn (ph.) of New Jersey came
7 to visit me and other Nevada Gaming officials. He was in Nevada
8 to see if it would be possible for Atlantic City, New Jersey to
9 open casino- type gambling. He was in Nevada because of its
10 reputation for heavily regulated well run gambling operations.
11 Nevada is an example for the world on how to fairly and
12 efficiently regulate games of chance. I, therefore,
13 respectfully suggest to this Commission that no matter what you
14 may conceive your pre-ordered charge, you must look at gambling
15 operations around the country, both legal and illegal. You
16 cannot say your mandate is to look only at legal gambling
17 because you cannot understand legal businesses without knowing
18 the impact of the legal operators on the legal operators.

19 Gaming works well in Nevada for one main reason,
20 proper regulation. The commodity in gaming is cash. This tends
21 to invite problems. With the close scrutiny in Nevada and
22 Atlantic City, the major criminal operatives likely have moved
23 to the under or unregulated environments. If the people at the
24 top want to cheat only the most sophisticated regulators can
25 detect their schemes. If there is no or little regulation think
26 of the potential for skullduggery.

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1 You must also look at how the Indian Gaming Control
2 Act has been stood upside down to its original intent by the
3 courts. Remember the purpose of the act was to allow Indians to
4 participate in any gambling activities in the state that
5 non-Indians were entitled. Now the Indians in most
6 jurisdictions can do gaming what non-Indians are prohibited from
7 engaging in. You cannot complete your duties without reviewing
8 the quagmire of Indian gaming regulation, which really I should
9 refer to as Indian gaming non-regulation.

10 In this same context you must review the Secretary
11 of Interior's attempts to widely broaden Indian gaming. His
12 actions fly in the face of the National Governors Association
13 and the Attorney General regarding a scope of gaming and the
14 basic doctrine of states' rights.

15 I commend and applaud each Commissioner for your
16 voluntary service to this most important national commission.
17 Your responsibilities are significant. Hundreds of thousands of
18 jobs depend on your conclusion. The integrity of proper
19 regulation of a burgeoning industry is at stake. Most of all
20 our city democracy is being tested. Each Commissioner is
21 burdened with an exceptional challenge, but also great
22 opportunity. I'm confident and hopeful you will meet your task
23 as each of you are exceptionally successful in a broad range of
24 professions and occupations. I feel here you can also be
25 successful by using your education, experience, and common sense
26 to do the right thing.

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1 Thank you.

2 CHAIRPERSON JAMES: Thank you, very much.

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