

1 CHAIRPERSON JAMES: Congressman Gibbons.

2 CONGRESSMAN GIBBONS: Thank you very much, Madame
3 Chairwoman and members of the Commission.

4 Since I'm from Reno, Nevada, I want to welcome you
5 to the great state of Nevada as well as welcome you to the city
6 of Las Vegas. Not only is it the home of Senator Bryan and
7 Congressman Ensign, it is the bedroom community and searchlight
8 the home of Senator Reid as well.

9 Madame Chairwoman, members of the Commission, no one
10 here will question your integrity or your dedication, and we are
11 confident that you will issue an objective and unbiased report
12 on the social and economic affects of gambling in the United
13 States.

14 Now, let me now say that I too, as a native of
15 Nevada, have grown up in this state living my whole life with
16 the issue of gaming. I have watched this community. I have
17 watched this state. I have watched this industry grow, prosper
18 and benefit Nevada. As a member of Congress, I am here today to
19 reinforce the many positive aspects of the gaming industry in
20 Nevada. Nevada is home to a variety of industries, including
21 gaming. And among those the premier, well established, highly
22 regulated operation that we are discussing today, the
23 entertainment and gaming industry. In Nevada the activities of
24 this industry are closely monitored and undoubtedly more
25 regulated than any other industry in existence today.

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1 Its economic and social benefits are astounding and
2 Nevada is proud of its gaming industry. In fact, the gaming/
3 entertainment industry is the number one industry in Nevada and
4 has been so for nearly six decades. Not only has it gained
5 respect on Wall Street, where many of Nevada's top companies
6 have achieved a high regard on the New York, the American or the
7 NASDAQ Exchanges, but it has also paved a way for some of the
8 most pioneering and innovative economic possibilities of the
9 decade. The gaming industry has placed Nevada in a position to
10 become a model of states of the future.

11 Nevada is also the home to one of the most
12 progressive and citizen focused economies of the United States,
13 and I think you can clearly look around this country at the
14 recent elections and see that the rest of the country is
15 catching on. Fortune Magazine, on the other hand, has recently
16 ranked Las Vegas as one of the top two best cities for business
17 in the United States. It is imperative, and we must do so
18 without hesitation, to credit the gaming entertainment industry
19 as a major contributor largely responsible for this trend.
20 Fortune Magazine attributes the appeal to, and I quote, "low
21 cost and non-existent state taxes which have lured Fortune 500
22 companies like Lockheed Martin and Merck to set up manufacturing
23 and back office operations in Las Vegas," end quote.

24 Like most Nevadans, I know the appeal of this
25 multifaceted industry, but it is more directly attributable to
26 the enormous tax revenue producing abilities of the gaming

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1 entertainment industry that makes this pro-family and
2 pro-business tax structure possible. Yes, I did say pro-family,
3 because the gaming industry is a major employer in the state of
4 Nevada. In fact, September 1998 estimates show Nevada's hotel
5 gaming employment rates up one and a half percent to nearly
6 222,900 employees. Surveys indicate the industry continues to
7 provide better access to day care, to health care, and to
8 continuing education for its employees.

9 And may I say that as I reflect back on this, all
10 one has to do is take a walk through John Eskwaga's (ph.) Nugget
11 in Sparks, Nevada, and see decade after decade of scholarship
12 recipients on the walls of that institution, reflecting a
13 commitment to education and to the betterment of that community
14 by that industry for a number of years that is exceeded by none
15 other of any of the industries that we have in this state.

16 Additional studies show that this industry
17 continually and consistently provides better and higher paying
18 jobs than others similarly structured industries that provide
19 products or services within the state. From its inception the
20 gaming industry in Nevada has worked to improve the communities
21 around the state that are home to its employees. The industry
22 has funded numerous programs that contribute not only to
23 financially improving the infrastructure of surrounding areas,
24 but also through educating the public on the potential risks
25 involved in gambling.

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1 Let's take this one step further. The Nevada Gaming
2 Commission recently adopted on a unanimous vote, I might add, a
3 series of regulations designed to help problem gamblers.
4 Clearly this is an industry that has genuine concerns for its
5 patrons. This is an industry that is extremely successful on a
6 multitude of consumer, economic and employee friendly issues.
7 This is an industry that has the ability to succeed by adapting
8 and improving itself as time goes on. It is no wonder that the
9 gaming industry has been the focus of a slanderous campaign,
10 because it is this type of industry, a successful industry which
11 historically receives the greatest criticism.

12 This bring us to the issue of fairness. The gaming
13 industry in Nevada is already burdened with numerous taxes, fees
14 and regulatory costs. I would venture to say and I've said this
15 earlier, that no industry is as highly regulated as the gaming
16 industry in Nevada. So let's be fair. Surely you see that it's
17 highly unnecessary to impose additional federal regulations or
18 taxes on the gaming industry. The gaming industry in Nevada has
19 held itself to a very high standard. This is smart business
20 sense. Even smarter community sense. Why this self imposed
21 high standard? The answer lies in the gaming industry's
22 commitment to uphold its relations, its trust with employees and
23 its consumers.

24 The other imposed standards are tightly enforced and
25 regulated not only by state and local government entities, but
26 also on a national level. This is done by the Securities and

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1 Exchange Commission. This is an excellent standard, one that
2 benefits all of those involved by promoting a well structured,
3 well regulated industry that is cognizant of its impact on
4 society.

5 On behalf of Nevada's hard working families that are
6 either directly or indirectly impacted by Nevada's highly
7 regulated gaming industries, I want to conclude by thanking you
8 for visiting our great state, for witnessing our great success,
9 and for enjoying our friendly hospitality.

10 Thank you, Madame Chairman.

11 CHAIRPERSON JAMES: Thank you, Congressman Gibbons.

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