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4 UNITED STATES OF AMERICA

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8 NATIONAL GAMBLING IMPACT STUDY COMMISSION

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11
12 COMMISSION MEETING

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15
16 Wednesday

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18 May 20, 1998

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22 The Commission met at the Thompson Center, 100 West
23 Randolph Street, Chicago, Illinois, at 8:30 a.m., Kay C. James,
24 Chairman, presiding.
25

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COMMISSION MEMBERS PRESENT:

KAY C. JAMES, Chair

WILLIAM A. BIBLE, Commissioner

DR. JAMES C. DOBSON, Commissioner

J. TERRENCE LANNI, Commissioner

RICHARD C. LEONE, Commissioner

PAUL H. MOORE, Commissioner

LEO T. MCCARTHY, Commissioner

JOHN T. WILHELM, Commissioner

COMMISSION STAFF PRESENT:

NANCY MOHR-KENNEDY, Executive Director

MARTHA CLEMENTS ROBERTS, Deputy Director

DR. TIM KELLY, Research Director

DOUGLAS SEAY, Associate Research Director

ALLISON FLATT, Associate Research Director

TIM BIDWILL, Special Assistant to Chair

AMY RICKETTS, Press Secretary

JANET NEWKIRK, Executive Secretary

DEBORAH DUCRE, Receptionist

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

(8:33 a.m.)

CHAIRMAN JAMES: I'm going to ask the Commission meeting to come to order. Good morning and welcome to the sixth meeting of the National Gambling Impact Study Commission. This is indeed our third site visit. My name is Kay James and on behalf of the Commission, I'd like to call this meeting to order and declare that we do indeed have a quorum to conduct business.

As I've done in each of the cities we've visited, I would like to take just a moment and explain exactly what the National Gambling Impact Study Commission is. For those of you who are joining us for the first time, this Commission was created by Congress in 1996 to, quote, "conduct a comprehensive, legal and factual study of the social and economic impacts of gambling in the United States, on governments, communities, businesses and individuals." This is an extremely timely study, as legalized gambling has grown to a \$550 billion a year industry. Gambling is legal in all but two states, and 38 states operate some form of lottery. Many communities today are seeking information about the benefits and cost of gambling and its impact on the community.

The nine members of the Commission were appointed by the President, Speaker of the House and Senate Majority Leader. In June, 1999 we will report our findings to the federal, state and Native American tribal governments. Previously we've conducted three meetings in Washington, established an ambitious research agenda and conducted on site meetings in Atlantic City, New Jersey, and Boston, Massachusetts.

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1 When the Commission developed its schedule of site
2 visits, it was not conceived as an effort to visit every type of
3 gambling occurring across the nation. To do so would take far
4 longer than two years, more effort than nine individuals could
5 muster and a whole lot more money than this Commission has. I
6 think by now that each of the Commissioners has had a good idea
7 what a casino, race track, lottery or slot machine looks like.
8 We recognize that there are distinctions among the various types
9 of casinos, betting parlors and lottery games and will continue
10 to work to understand them. But our principal task remains as
11 Congress directed, to assess the social and economic impact of
12 legalized gambling upon the nation.

13 Instead, in devising a site visit schedule that
14 crossed the nation and examined various forms of gambling, we
15 hope to insure that we are able to hear firsthand from those who
16 are directly touched by gambling, from families, business owners,
17 gambling industry workers and government leaders. We hear on a
18 daily basis from lobbyists who tell us about the positive and
19 negative impact of gambling nationwide, but it is the individual
20 housewife, the individual mayor, the individual convenience store
21 owner who can tell you with experience what impact gambling has
22 had on their community. In addition, we look forward to hearing
23 from experts from the academic, regulatory and legislative
24 arenas.

25 We're pleased to be here in Chicago today and
26 tomorrow to discuss the issue of riverboat and Internet gambling,
27 particularly the impact of the former in the Midwest. We
28 appreciate the invitation extended to us by Congressman Weller
29 and a few local officials to visit their communities. As I said

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1 earlier, we believe that our time on site could focus on hearing
2 the testimony of experts and individuals and allow for
3 substantive questions. I have encouraged individual
4 Commissioners to come early, stay late, take extra time as needed
5 to visit some of the sites.

6 In terms of meeting our responsibilities to Congress
7 and the American people, this Commission has accomplished a great
8 deal I believe already. Individual Commissioners represent
9 varying perspectives and viewpoints on gambling and its impact in
10 our communities. Consensus on some important areas is beginning
11 to emerge. Nevertheless, much work remains to be done. Later
12 this year we will visit California, Arizona, Louisiana,
13 Mississippi and Nevada.

14 Much has been written about the strong and often
15 contradictory opinions that surround our visits. We have invited
16 many experts, individuals, government officials to testify before
17 us. Some have very strong opinions for or against various types
18 of gambling. Some groups have arranged press conferences,
19 briefings and even demonstrations around our meeting day to make
20 their points.

21 Spirited debate and differences of opinion are to be
22 expected and I believe indeed encouraged. As the Dean of a
23 graduate school of government, I teach all of our students that
24 sound public policy involves the clash and debate of ideas. This
25 is the very hallmark of our heritage and the democratic process.
26 My responsibility as chairman is to ensure that the process with
27 this discussion is fair, balanced, objective and to that end I
28 believe we have developed a very informative agenda.

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1 Part of my responsibility as chairman is to protect
2 the right of all sides to be heard and I would ask everyone
3 participating today, including the audience, to be respectful,
4 civil and fair to others, particularly those who have differing
5 opinions. For that, too, is a hallmark of our shared American
6 democratic tradition. We're grateful to all of those who felt
7 strongly enough to come here today and to be heard. The
8 Commission is here to listen and to learn.

9 In closing, I'd like to thank Governor Edgar and the
10 State of Illinois for their hospitality in hosting our meeting
11 here. In particular I would like to express our appreciation to
12 Mike Belletire and Susan Weber of the Illinois Gaming Board for
13 their time, assistance and foresight. They've addressed numerous
14 logistical details, provided valuable regional information and
15 worked to insure that every side of the issue was represented.
16 I'd also like to extend my sincere gratitude to Chicago Mayor
17 Richard Daley and his complete commitment to assist our efforts
18 here today.

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