

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, I yield to the leader.

Mr. LOTT. Mr. President, first, I want to thank the two managers to the bill. I have not had too many occasions in the last few days to congratulate Senators for really making good progress and doing a great job.

The Senator from Alaska and the Senator from Hawaii, as always, are really doing a good job in working through the amendments without our having to resort to a cloture motion. They have cleared out a number of amendments. A number have been accepted, and some we are voting on.

I urge colleagues to continue working with the managers, and I believe we can get this done. The leadership is committed to getting the defense appropriations bill done today. If we continue to have good cooperation, we can get it done at a reasonable hour. I thank the Senators for what they have been doing, and I urge them to continue.

THE NATIONAL GAMBLING IMPACT STUDY COMMISSION ACT

Mr. LOTT. Mr. President, I ask unanimous consent that the Senate now turn to the consideration of Calendar No. 449, S. 704, a bill to establish the Gambling Impact Study Commission.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 704) to establish the Gambling Impact Study Commission.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Governmental Affairs, with an amendment to strike all after the enacting clause and inserting in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Gambling Impact Study Commission Act".

SEC. 2. FINDINGS.

The Congress finds that—

(1) the most recent Federal study of gambling in the United States was completed in 1976;

(2) legalization of gambling has increased substantially over the past 20 years, and State, local, and Native American tribal governments have established gambling as a source of jobs and additional revenue;

(3) the growth of various forms of gambling, including electronic gambling and gambling over the Internet, could affect interstate and international matters under the jurisdiction of the Federal Government;

(4) questions have been raised regarding the social and economic impacts of gambling, and Federal, State, local, and Native American tribal governments lack recent, comprehensive information regarding those impacts; and

(5) a Federal commission should be established to conduct a comprehensive study of the social and economic impacts of gambling in the United States.

SEC. 3. NATIONAL GAMBLING IMPACT STUDY COMMISSION.

(a) ESTABLISHMENT OF COMMISSION.—There is established a commission to be known as the National Gambling Impact Study Commission (hereinafter referred to in this Act as "the Commission"). The Commission shall—

(1) be composed of 9 members appointed in accordance with subsection (b); and

(2) conduct its business in accordance with the provisions of this Act.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The Commissioners shall be appointed for the life of the Commission as follows:

(A) 3 shall be appointed by the President of the United States.

(B) 3 shall be appointed by the Speaker of the House of Representatives.

(C) 3 shall be appointed by the Majority Leader of the Senate.

(2) PERSONS ELIGIBLE.—The members of the Commission shall be individuals who have knowledge or expertise, whether by experience or training, in matters to be studied by the Commission under section 4. The members may be from the public or private sector, and may include Federal, State, local, or Native American tribal officers or employees, members of academia, non-profit organizations, or industry, or other interested individuals.

(3) CONSULTATION REQUIRED.—The President, the Speaker of the House of Representatives, and the Majority Leader of the Senate shall consult among themselves prior to the appointment of the members of the Commission in order to achieve, to the maximum extent possible, fair and equitable representation of various points of view with respect to the matters to be studied by the Commission under section 4.

(4) COMPLETION OF APPOINTMENTS; VACANCIES.—The President, the Speaker of the House of Representatives, and the Majority Leader of the Senate shall conduct the consultation required under paragraph (3) and shall each make their respective appointments not later than 60 days after the date of enactment of this Act. Any vacancy that occurs during the life of the Commission shall not affect the powers of the Commission, and shall be filled in the same manner as the original appointment not later than 60 days after the vacancy occurs.

(5) OPERATION OF THE COMMISSION.—

(A) CHAIRMANSHIP.—The President, the Speaker of the House of Representatives, and the Majority Leader of the Senate shall jointly designate one member as the Chairman of the Commission. In the event of a disagreement among the appointing authorities, the Chairman shall be determined by a majority vote of the appointing authorities. The determination of which member shall be Chairman shall be made not later than 15 days after the appointment of the last member of the Commission, but in no case later than 75 days after the date of enactment of this Act.

(B) MEETINGS.—The Commission shall meet at the call of the Chairman. The initial meeting of the Commission shall be conducted not later than 30 days after the appointment of the last member of the Commission, or not later than 30 days after the date on which appropriated funds are available for the Commission, whichever is later.

(C) QUORUM; VOTING; RULES.—A majority of the members of the Commission shall constitute a quorum to conduct business, but the Commission may establish a lesser quorum for conducting hearings scheduled by the Commission. Each member of the Commission shall have one vote, and the vote of each member shall be accorded the same weight. The Commission may establish

by majority vote any other rules for the conduct of the Commission's business, if such rules are not inconsistent with this Act or other applicable law.

SEC. 4. DUTIES OF THE COMMISSION.

(a) STUDY.—

(1) IN GENERAL.—It shall be the duty of the Commission to conduct a comprehensive legal and factual study of the social and economic impacts of gambling in the United States on—

(A) Federal, State, local, and Native American tribal governments; and

(B) communities and social institutions generally, including individuals, families, and businesses within such communities and institutions.

(2) MATTERS TO BE STUDIED.—The matters studied by the Commission under paragraph (1) shall at a minimum include—

(A) a review of existing Federal, State, local, and Native American tribal government policies and practices with respect to the legalization or prohibition of gambling, including a review of the costs of such policies and practices;

(B) an assessment of the relationship between gambling and levels of crime, and of existing enforcement and regulatory practices that are intended to address any such relationship;

(C) an assessment of pathological or problem gambling, including its impact on individuals, families, businesses, social institutions, and the economy;

(D) an assessment of the impacts of gambling on individuals, families, businesses, social institutions, and the economy generally, including the role of advertising in promoting gambling and the impact of gambling on depressed economic areas;

(E) an assessment of the extent to which gambling provides revenues to State, local, and Native American tribal governments, and the extent to which possible alternative revenue sources may exist for such governments; and

(F) an assessment of the interstate and international effects of gambling by electronic means, including the use of interactive technologies and the Internet.

(b) REPORT.—No later than 2 years after the date on which the Commission first meets, the Commission shall submit to the President, the Congress, State Governors, and Native American tribal governments a comprehensive report of the Commission's findings and conclusions, together with any recommendations of the Commission. Such report shall include a summary of the reports submitted to the Commission by the Advisory Commission on Intergovernmental Relations and National Research Council under section 7, as well as a summary of any other material relied on by the Commission in the preparation of its report.

SEC. 5. POWERS OF THE COMMISSION.

(a) HEARINGS.—

(1) IN GENERAL.—The Commission may hold such hearings, sit and act at such times and places, administer such oaths, take such testimony, and receive such evidence as the Commission considers advisable to carry out its duties under section 4.

(2) WITNESS EXPENSES.—Witnesses requested to appear before the Commission shall be paid the same fees as are paid to witnesses under section 1821 of title 28, United States Code. The per diem and mileage allowances for witnesses shall be paid from funds appropriated to the Commission.

(b) SUBPOENAS.—

(1) IN GENERAL.—If a person fails to supply information requested by the Commission, the Commission may by majority vote require by subpoena the production of any written or recorded information, document,

report, answer, record, account, paper, computer file, or other data or documentary evidence necessary to carry out its duties under section 4. The Commission shall transmit to the Attorney General a confidential, written notice at least 10 days in advance of the issuance of any such subpoena. A subpoena under this paragraph may require the production of materials from any place within the United States.

(2) **INTERROGATORIES.**—The Commission may, with respect only to information necessary to understand any materials obtained through a subpoena under paragraph (1), issue a subpoena requiring the person producing such materials to answer, either through a sworn deposition or through written answers provided under oath (at the election of the person upon whom the subpoena is served), to interrogatories from the Commission regarding such information. A complete recording or transcription shall be made of any deposition made under this paragraph.

(3) **CERTIFICATION.**—Each person who submits materials or information to the Commission pursuant to a subpoena issued under paragraph (1) or (2) shall certify to the Commission the authenticity and completeness of all materials or information submitted. The provisions of section 1001 of title 18, United States Code, shall apply to any false statements made with respect to the certification required under this paragraph.

(4) **TREATMENT OF SUBPOENAS.**—Any subpoena issued by the Commission under paragraph (1) or (2) shall comply with the requirements for subpoenas issued by a United States district court under the Federal Rules of Civil Procedure.

(5) **FAILURE TO OBEY A SUBPOENA.**—If a person refuses to obey a subpoena issued by the Commission under paragraph (1) or (2), the Commission may apply to a United States district court for an order requiring that person to comply with such subpoena. The application may be made within the judicial district in which that person is found, resides, or transacts business. Any failure to obey the order of the court may be punished by the court as civil contempt.

(c) **INFORMATION FROM FEDERAL AGENCIES.**—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out its duties under section 4. Upon the request of the Commission, the head of such department or agency may furnish such information to the Commission.

(d) **INFORMATION TO BE KEPT CONFIDENTIAL.**—The Commission shall be considered an agency of the Federal Government for purposes of section 1905 of title 18, United States Code, and any individual employed by an individual, entity, or organization under contract to the Commission under section 7 shall be considered an employee of the Commission for the purposes of section 1905 of title 18, United States Code. Information obtained by the Commission, other than information available to the public, as the result of a subpoena issued under subsection (b)(1) or subsection (b)(2) shall not be disclosed to any person in any manner, except—

(1) to Commission employees or employees of any individual, entity, or organization under contract to the Commission under section 7 for the purpose of receiving, reviewing, or processing such information;

(2) upon court order; or

(3) when publicly released by the Commission in an aggregate or summary form that does not directly or indirectly disclose—

(A) the identity of any person or business entity; or

(B) any information which could not be released under section 1905 of title 18, United States Code.

SEC. 6. COMMISSION PERSONNEL MATTERS.

(a) **COMPENSATION OF MEMBERS.**—Each member of the Commission who is not an officer or employee of the Federal Government, or whose compensation is not precluded by a State, local, or Native American tribal government position, shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for Level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which such member is engaged in the performance of the duties of the Commission. All members of the Commission who are officers or employees of the United States shall serve without compensation in addition to that received for their services as officers or employees of the United States.

(b) **TRAVEL EXPENSES.**—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of service for the Commission.

(c) **STAFF.**—

(1) **IN GENERAL.**—The Chairman of the Commission may, without regard to the civil service laws and regulations, appoint and terminate an executive director and such other additional personnel as may be necessary to enable the Commission to perform its duties. The employment and termination of an executive director shall be subject to confirmation by a majority of the members of the Commission.

(2) **COMPENSATION.**—The executive director shall be compensated at a rate not to exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code. The Chairman may fix the compensation of other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay for such personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(3) **DETAIL OF GOVERNMENT EMPLOYEES.**—Any Federal Government employee, with the approval of the head of the appropriate Federal agency, may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status, benefits, or privilege.

(d) **PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.**—The Chairman of the Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals not to exceed the daily equivalent of the annual rate of basic pay prescribed for Level V of the Executive Schedule under section 5316 of such title.

SEC. 7. CONTRACTS FOR RESEARCH.

(a) **ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS.**—

(1) **IN GENERAL.**—In carrying out its duties under section 4, the Commission shall contract with the Advisory Commission on Intergovernmental Relations for—

(A) a thorough review and cataloging of all applicable Federal, State, local, and Native American tribal laws, regulations, and ordinances that pertain to gambling in the United States; and

(B) assistance in conducting the studies required by the Commission under section 4(a), and in particular the review and assessments required in subparagraphs (A), (B), and (E) of paragraph (2) of such section.

(2) **REPORT REQUIRED.**—The contract entered into under paragraph (1) shall require

that the Advisory Commission on Intergovernmental Relations submit a report to the Commission detailing the results of its efforts under the contract no later than 15 months after the date upon which the Commission first meets.

(b) **NATIONAL RESEARCH COUNCIL.**—

(1) **IN GENERAL.**—In carrying out its duties under section 4, the Commission shall contract with the National Research Council of the National Academy of Sciences for assistance in conducting the studies required by the Commission under section 4(a), and in particular the assessment required under subparagraph (C) of paragraph (2) of such section.

(2) **REPORT REQUIRED.**—The contract entered into under paragraph (1) shall require that the National Research Council submit a report to the Commission detailing the results of its efforts under the contract no later than 15 months after the date upon which the Commission first meets.

(c) **OTHER ORGANIZATIONS.**—Nothing in this section shall be construed to limit the ability of the Commission to enter into contracts with other entities or organizations for research necessary to carry out the Commission's duties under section 4.

SEC. 8. DEFINITIONS.

For the purposes of this Act:

(1) **GAMBLING.**—The term "gambling" means any legalized form of wagering or betting conducted in a casino, on a riverboat, on an Indian reservation, or at any other location under the jurisdiction of the United States. Such term includes any casino game, parimutuel betting, sports-related betting, lottery, pull-tab game, slot machine, any type of video gaming, computerized wagering or betting activities (including any such activity conducted over the Internet), and philanthropic or charitable gaming activities.

(2) **NATIVE AMERICAN TRIBAL GOVERNMENT.**—The term "Native American tribal government" means an Indian tribe, as defined under section 4(5) of the Indian Gaming Regulatory Act of 1988 (25 U.S.C. 2703(5)).

(3) **STATE.**—The term "State" means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

SEC. 9. AUTHORIZATION OF APPROPRIATIONS.

(a) **IN GENERAL.**—There are authorized to be appropriated to the Commission, the Advisory Commission on Intergovernmental Relations, and the National Academy of Sciences such sums as may be necessary to carry out the purposes of this Act. Any sums appropriated shall remain available, without fiscal year limitation, until expended.

(b) **LIMITATION.**—No payment may be made under section 6 or 7 of this Act except to the extent provided for in advance in an appropriation Act.

SEC. 10. TERMINATION OF THE COMMISSION.

The Commission shall terminate 60 days after the Commission submits the report required under section 4(b).

Mr. LUGAR. Mr. President, I rise today in strong support of S. 704, the National Gambling Impact Study Commission Act, and I urge my colleagues to approve this important legislation.

I want to express my appreciation to Chairman STEVENS, Senator GLENN, and the Governmental Affairs Committee for their commitment and careful attention to this important issue. Senator STEVENS and the committee have made significant improvements to the original bill, providing additional resources and appropriate authorities to

allow the Commission to conduct a meaningful study of gambling. I also want to thank the author of bill, Senator SIMON, for his steadfast leadership and dedication to this effort.

I want to share with my colleagues some of my thoughts about this important issue and about why I believe the Nation would be served by a national study of gambling.

The rapid spread of legalized gambling in the United States in recent years has raised concerns in Congress and elsewhere about the social and economic impacts of gambling on our States and communities. Throughout our Nation's history, the popularity of gambling has come and gone, and returned again. Public outcry against casinos and State lotteries during the post Civil War period led to a ban on gambling throughout the United States by 1920. During the past 20 years, however, the gambling industry in the United States has experienced unparalleled growth and expansion. In 1978 only two States allowed casinos and a handful of others sponsored lotteries. But today some form of gambling is legal in 48 States.

Gambling revenues grew more than twice the rate of our Nation's manufacturing industries in 1990. Americans wager almost a half a trillion dollars a year and industry profits are estimated to have reached \$40 billion annually.

A major reason for this astronomical growth of gambling is that State and local governments facing budget shortfalls are desperate for revenue. State and local government officials all too often accept gambling as the silver bullet solution to balancing their budgets without raising taxes. Even if a State or community is reluctant to host a gambling establishment, it can be drawn over the edge by the threat that gambling operations may locate in a nearby town or neighboring State. For many local officials, the legalization of gambling becomes an economic survival issue rather than a question of developing sound public policy.

The actions of State and local governments that hope to use gambling as a solution to financing the needs of their cities and communities are understandable. Yet, the quick-fix, ready-cash approach can be a shaky foundation upon which to base an economic development strategy.

As mayor of Indianapolis during a difficult period of economic uncertainty and social unrest in the late 1960's, I learned that a community must be built in living rooms, classrooms, and churches.

To strengthen the city's economy, we launched a comprehensive reorganization of local government, consolidating our city and county. We cut property taxes 5 times in 8 years, attracted businesses, and made Indianapolis the amateur sports capital of the world. Indianapolis is a dynamic and successful city, and it has reduced poverty and crime that plagues many urban areas.

Long-term growth and prosperity for our communities are most often earned

the old-fashioned way—through hard work, dedication and commitment to common purpose.

The folks facing the toughest decisions on whether to permit gambling are leaders at the local level. These officials are frequently overwhelmed by the size and complexity of proposals made for casinos and other establishments promising jobs and solutions to local financial dilemmas. They are often forced to make decisions about gambling in a vacuum of reliable, unbiased information—information desperately needed to make sound choices that will affect both the social and economic future of their communities. This is one area where the resources of the Federal Government can help communities by providing them objective, unbiased information they can use to make their own informed decisions about gambling.

Mr. President, while history is replete with examples of communal difficulties associated with gambling, it is difficult to determine the costs—especially in certain human factors related to problem gambling that include alcoholism, divorce, suicide, family dysfunction, and criminal activity.

A number of studies have attempted to address the social costs of gambling; however, they are often regional in focus, limited in scope or funded by subjective interests. A Federal study commission will provide a broad-based, authoritative report on this important aspect of the gambling issue that deserves closer examination.

As a society we appear to have made a piecemeal decision to legalize a wide variety of gambling activities. But this does not obviate the need to be mindful of the underlying problems associated with gambling that lead most of the country to keep it illegal for decades.

We know that the presence of legalized gambling can exacerbate numerous social problems, including crime, alcoholism, corruption, suicide, bankruptcy, family dysfunction, and compulsive or addictive behavior. These side effects can represent an enormous moral and financial cost to communities.

The gambling industry does not choose to confront these moral questions. The gambling industry frequently asserts that what it is providing is an adult entertainment option. Undoubtedly, many adults can gamble responsibly, have a good time, and sustain the financial losses that they incur. But we should not deceive ourselves that gambling is no different than any other entertainment option. Gambling is a complex and problematic activity both in terms of its economic and social impact on communities and its economic and psychological impact on individuals and families.

Gambling-related employment is not comparable to other forms of employment such as manufacturing. Gambling does not produce a value-added product or reinvestment in the market economy. Although gambling operations

can contribute lower-paying jobs to a local economy, other businesses in the region often lose as a consumer spending for goods and services shifts to a small number of casinos and casino-related activities.

One does not have to be a gambling prohibitionist to conclude that our Nation needs to know more about where we are headed.

Mr. President, this legislation creates a 2-year, 9-member commission appointed by Congress and the President to conduct a comprehensive legal and factual study of the social and economic impacts of gambling on States and communities. S. 704 does not propose to further tax, regulate or limit gambling activities.

The Commission will be charged with compiling all Federal, State and local laws pertaining to gambling. The Commission also will assess the impact of gambling on local businesses; the relationship between gambling and levels of crime; and the impact of problem and pathological gambling on individuals, families, and the economy.

The Commission will examine electronic gambling involving use of the Internet. Internet gambling is a new and rapidly growing activity in the United States and elsewhere. It allows people using personal computers and credit card accounts to gamble across State lines and national borders. Internet gambling could have serious international policy implications for the United States. Very little is known about the risks associated with citizens who gamble in "virtual" casinos located outside U.S. jurisdiction. We need to learn more about the Internet.

After 2 years, the Commission will submit a comprehensive report to the President, the Congress, Governors, and Native American Tribal governments on its findings. This report will provide objective, unbiased data and analysis that States and communities can use to make their own informed decisions about gambling.

Providing the Commission with adequate resources and authority to perform its duties is essential to developing an authoritative report. Allowing the Commission to conduct hearings, provide recommendations and have a limited, but effective level of subpoena power are essential to achieving this goal. To reduce the cost of the Commission, S. 704 uses existing Government entities—the Advisory Commission on Intergovernmental Relations and the National Research Council of the National Academy of Sciences—to assist in the Commission's efforts to compile existing laws and conduct research on problem and pathological gambling.

Senator STEVENS and the Governmental Affairs Committee have worked to establish a balanced and effective commission that will conduct a thorough review of the social and economic impacts of gambling. At the same time, the committee worked to ensure that information gathered by the Commission would not be misused nor exceed

the common sense bounds of our Federal system. The bill incorporates existing privacy laws under title 18 to ensure protection for individual privacy and for business trade secrets.

The bill allows the Commission to subpoena certain documentation necessary to carry out its duties as outlined in the bill. The Commission is allowed subpoena authority to gather additional information to help the Commission understand documentation received under subpoena.

I have worked with Senator SIMON, Senator STEVENS, the Governmental Affairs Committee and Representative FRANK WOLF to gain approval of this legislation in the Congress because I believe the country would be served by a Federal study. The House of Representatives approved similar legislation this year, and the President has indicated his support for establishing a commission to study gambling. It is my hope the Senate will give swift approval to this important measure to examine this pressing national issue. I believe the Commission's work will be helpful to State and local leaders as they make their own informed decisions about whether or not to allow gambling in their communities.

Information is the goal of this Commission. Information will strengthen the democratic decision-making process.

I urge my colleagues to join me to support passage of S. 704.

Mr. STEVENS. Mr. President, I rise today to support S. 704 as amended by the Governmental Affairs Committee. The bill establishes a national commission to study the social and economic impact of legalized gambling in the United States.

S. 704 was originally introduced on April 6, 1995, by Senator PAUL SIMON and Senator RICHARD LUGAR. Currently, there are 25 Senate cosponsors of this legislation.

On November 2, 1995, the Governmental Affairs Committee held a hearing on S. 704. At that time, concerns were raised about the adequacy of the funding levels and the scope of the original bill.

On May 14, 1996, the Governmental Affairs Committee approved a substitute which was drafted in consultation with the sponsors of the Senate and House bills and the representatives of various groups.

This bill, as reported by the committee, attempts to address a wide range of concerns, including balancing the needs of the commission to get access to information and protecting the rights of individuals to their personal privacy.

S. 704 as amended creates a nine-member commission—three appointed by President, three by the Speaker of the House, and three by the Senate majority leader. The commission has 2 years to conduct the study and issue a report, which may include findings and recommendations, to the President, the Congress, the Governors, and native American tribal governments.

Under this bill, the commission will utilize the expertise of the Advisory Commission on Intergovernmental Relations and the National Research Council. This will avoid duplicating work already done by the Government, reduce the cost of the commission, and ensure that the States are not left out of the process.

The bill specifies a number of topics that the commission will study, encompassing many aspects of gambling and its effects, including problem gambling and gambling on the Internet. It authorizes "such sums as may be necessary"—the original bill introduced in the Senate only provided \$250,000 for the commission. Funding for the commission would be subject to appropriations. The commission will terminate after completing its 2-year study.

The most recent Federal study of the effects of gambling was published 20 years ago—the 1976 Commission on the Review of the National Policy Toward Gambling. At that time, that study cost \$3 million—which would be the equivalent of \$8.1 million today.

In 1976, only two States—Nevada and New Jersey—had legalized gambling. Currently, 48 States have some form of legalized gambling, and since 1988, 21 States have legalized casino gambling.

There has been rapid growth recently in the gambling industry—it is now a \$40 billion industry which includes casinos, riverboats, Indian reservations, State and interstate lotteries, and electronic gambling. Despite the growth in this industry, not much current objective data exists on the impact of legalized gambling in the United States.

Other concerns that the committee addressed include: specifying the areas to be studied; problem gambling; electronic gambling—such as gambling on the Internet; requiring the report to be issued to Governors and native American tribes so that they could make use of the information; and providing a clear definition of gambling.

The House version introduced by Representative FRANK WOLF on January 11, 1995, was passed by the House of Representatives on March 5, 1996, after some modifications by the House Judiciary Committee.

Unlike the House bill, the original Senate bill did not include subpoena power. The House bill allowed the commission to subpoena both individuals and documents. The Congressional Research Service has indicated that based on a review of commissions created in recent years, it is unusual to grant broad subpoena power to this type of commission.

However, recognizing the short period of time in which the commission has to complete its work and the need to be able to obtain relevant information, S. 704 as amended grants the commission the power to subpoena documents.

In order to protect the privacy of individuals, however, information gathered by the commission must be kept confidential. The bill provides criminal

penalties under section 1905 of title 18 of the United States Code for the unauthorized disclosure of any confidential personal or business information.

Any information obtained by the commission—whether voluntarily provided or provided under subpoena—may not be disclosed to any person in any manner, except to authorized commission employees; upon court order, or when released by the commission in aggregate or summary form that does not directly or indirectly disclose the identity of any person or business.

In addition, individuals falsifying information to the commission are subject to criminal penalties under section 1001 of title 18 of the United States Code.

The commission may serve a subpoena throughout the United States, and may go to a U.S. district court to enforce it. All subpoenas must comply with the requirements for subpoenas under the Federal Rules of Civil Procedure. The commission is required to notify the U.S. Attorney General at least 10 days in advance of issuing a subpoena. This will allow the Attorney General time to raise objection if the subpoena is going to interfere with an ongoing criminal investigation.

The Congressional Budget Office projects S. 704 as amended will cost \$5 million, roughly equal to their revised estimate for the House version, H.R. 497. CBO also projects that the costs to State, local, and tribal governments for complying with information-gathering requests will be minimal. Mr. President, at this point I ask unanimous consent that the CBO's letter on this bill be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, May 21, 1996.

Hon. TED STEVENS,
Chairman, Committee on Governmental Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 704, the National Gambling Impact Study Commission Act.

Enactment of S. 704 would not affect direct spending or receipts. Therefore, pay-as-you-go procedures would not apply to the bill.

If you wish further details on this estimate, we will be pleased to provide them.

Sincerely,
JUNE E. O'NEILL,
Director.

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

1. Bill number: S. 704.
2. Bill title: National Gambling Impact Study Commission Act.
3. Bill status: As ordered reported by the Senate Committee on Governmental Affairs on May 14, 1996.
4. Bill purpose: This bill would establish a commission to study the impact of gambling in the United States. The study would cover many issues related to gambling, including the relationship between gambling and crime and the extent to which gambling provides revenues to state, local, and Native American tribal governments. The commission, consisting of nine members, would have two

years after it first meets to conduct the study and to present its findings to the Congress. In addition, the chairman of the commission would have the authority to appoint an executive director and other personnel to assist the commission in performing its duties. The bill would require that the commission contract with the Advisory Commission on Intergovernmental Relations and the National Academy of Sciences for assistance in conducting its study. Finally, the bill would grant the commission the authority to hold hearings and subpoena documents.

5. Estimated cost to the Federal Government: As shown in the following table, CBO estimates that enacting S. 704 would increase discretionary spending by about \$5 million over the next two years, assuming appropriation of the necessary funds.

(By fiscal years, in millions of dollars)

	1997	1998	1999	2000	2001	2002
SPENDING SUBJECT TO APPROPRIATIONS ACTION						
Estimated authorization level	2	3
Estimated outlays	2	3

The costs of this bill fall within budget function 750.

6. Basis of estimate: For purposes of this estimate, CBO assumes that S. 704 will be enacted by the end of fiscal year 1996, and that the estimated amounts will be appropriated for each of the next two years. We projected outlays based on the historical rate of spending for similar commissions.

To estimate the cost of S. 704, CBO assumed that the commission would hire about 20 people to provide technical and administrative support, and that the commission would have other costs similar to those incurred by the first commission established to study gambling in 1974—the Commission on the Review of the National Policy Toward Gambling. In total, CBO estimates that the proposed commission would cost about \$5 million over the next two years. This cost would cover per diem and travel expenses of the commission's members and witnesses, salaries of the commission staff, contract expenses and other administrative costs.

7. Pay-as-you-go considerations: None.

8. Estimated impact on State, local, and tribal governments: Public Law 104-4, the Unfunded Mandates Reform Act of 1995, defines an intergovernmental mandate as an enforceable duty imposed on state, local, or tribal governments, except a condition of federal assistance or a duty arising from participation in a voluntary federal program. CBO has determined that providing documents and information, and answering questions about such information under threat of a subpoena, constitutes an enforceable duty on these entities as defined by the law.

Based on information provided to us by eight states with significant gaming operations and from interest groups representing state, local, and tribal governments, CBO estimates that the cost to states, localities, and tribal governments of providing documents and information to the commission is unlikely to exceed, on average, \$100,000 per state. Total costs are thus unlikely to exceed \$5 million. They would be incurred over the two-year period during which the commission is preparing its study.

9. Estimated impact on the private sector: Public Law 104-4, the Unfunded Mandates Reform Act of 1995, defines a private sector mandate as an enforceable duty imposed on the private sector, except a condition of federal assistance or a duty arising from participation in a voluntary federal program. S. 704, the National Gambling Impact Study Commission Act, contains provisions that require the gaming industry and individuals to provide documents and information, and to respond to questions about such information

under threat of a subpoena. Those provisions constitute a private sector mandate. Although the demand for information by the commission from individual operators could impose substantial compliance costs in some cases, CBO estimates that the aggregate annual impact on the private sector would fall well below the \$100 million threshold specified in Public Law 104-4.

10. Previous CBO estimate: On November 17, 1995, CBO transmitted a cost estimate for H.R. 497, the National Gambling Impact and Policy Commission Act, as ordered reported by the House Committee on the Judiciary on November 8, 1995. The two estimates are similar; we now estimate federal costs of \$5 million over the 1997-1998 period, whereas our previous estimate for H.R. 497 was \$4 million over the 1996-1998 period. The increase in estimated cost is attributable primarily to S. 704's provision authorizing reimbursement of expenses incurred by witnesses at commission hearings.

11. Impact: Estimate prepared by: Federal Cost Estimate: Susanne S. Mehlman. State and Local Government Impact: Theresa Gullo. Private Sector Impact: Matthew Eyles.

12. Estimate approved by: Robert R. Sunshine for Paul N. Van de Water, Assistant Director, for Budget Analysis

Mr. STEVENS. The Clinton administration states that it supports legislation creating a commission to study the effects of gambling, but has stopped short of endorsing any specific bill. The Department of Justice has stated that the substitute addresses many of the agency's concerns, and have asked that their views be included in the RECORD. Mr. President, at this point, I ask unanimous consent that the Justice Department letter outlining the administration views on the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, May 21, 1996.

Hon. TED STEVENS,
Chairman, Committee on Governmental Affairs,
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing in regard to S. 704, the National Gambling Impact and Policy Commission Act, which the Committee ordered reported last week. I especially want to express my appreciation to you for your staff's cooperation in resolving several concerns expressed by the Department.

As President Clinton recently stated in letters to Senators Simon and Lugar, the Administration supports the establishment of this Commission. One of the duties of this panel is to conduct a comprehensive study, which will include an assessment of the relationship between gambling and levels of crime.

The Committee-approved version of S. 704 addresses a number of issues of concern to the Department of Justice. For example, section 5(b)(1) gives the Commission the power to subpoena certain information, but also provides that the "Commission shall transmit to the Attorney General a confidential, written notice at least ten days in advance of the issuance of any such subpoena." This provision would allow the Department to learn in advance who is being subpoenaed and the subject matter of the subpoena. In addition to keeping us abreast of what the Commission is doing, this would permit the Department to object or make our views known regarding such subpoena.

However, we understand that this provision does not constitute any kind of approval process. No inference should be drawn if the Department is notified of the pending issuance of a subpoena and does or does not object or comment. For example, such silence should not be construed as approval or endorsement of the subpoena or its subject matter. Nor should the presence or absence of a comment be construed to indicate the presence or absence of a criminal investigation, on which the Department as a matter of policy does not comment.

We understand that Section 5(b) does not grant the Commission authority to subpoena federal agencies. However, section 5(c) of the bill gives the Commission the authority to obtain information directly from federal agencies. This provision says that "[u]pon request of the Commission, the head of such department or agency may furnish such information to the Commission." This language is intended to preserve the ability of a federal agency, including the Department of Justice, to use its discretion and judgment in withholding privileged and sensitive information.

We would appreciate it if you would include this letter in the record of consideration of this legislation. Again, we thank you and your staff for your cooperation in resolving these important issues.

The Office of Management and Budget has advised that there is no objection from the standpoint of the Administration's program to the presentation of this report.

Please do not hesitate to contact me if I may be of assistance on this or any other matter.

Sincerely,

ANDREW FOIS,
Assistant Attorney General.

Mr. GLENN. Mr. President, I rise in strong support of the Stevens substitute to S. 704—legislation to set up a national commission to study the growth of legalized gambling in America and its relevant social, economic, and legal impacts.

Gambling is an industry that is growing rapidly. In 1976—the last time we studied this issue on a national basis—legalized wagering in the United States totaled \$22 billion, while legalized gaming approached \$3 billion. In 1994, legal wagering exceeded \$482 billion, while legal gaming reached \$40 billion. We now have riverboat and land-based casino gambling in a number of States, and most States operate their own lotteries. In addition, Indian tribes are increasingly turning to casino and other forms of gaming as a tool for economic development. Finally, the gambling industry is looking toward the Internet and other electronic media as the markets for the future.

This kind of explosive growth in an industry that brings with it both serious economic and social costs along with benefits is at least a cause for further study. So I support the establishment of a national commission. This issue has not been examined on a national or Federal level for nearly 20 years and I believe that it is time we looked at gambling in America in greater depth.

The 1976 commission concluded that the regulation of gambling should be a State responsibility. With the exception of gambling on Indian lands where

there is a shared Federal-State role, that is currently the case. But given the rapid growth of the industry in America in recent years, the proper role of the States and the Federal Government on this issue needs study and examination. There are important federalism and sovereignty questions that need to be answered. I don't have the answers—I'm not sure any of my colleagues do either. That's why establishing a commission to study gambling and to advise Federal, State, local, and tribal policymakers is both necessary and worthwhile. Some might argue that this commission represents an intrusion on states rights. I don't agree. This commission does not have the power to regulate, only to make recommendations. It is a study commission, not a regulatory body.

This substitute represents a considerable improvement from the original S. 704. The commission's charter has been strengthened. It will assess: the impact of existing policies and practices concerning legalized gambling; the impact of pathological gambling on individuals and families; the relationship between gambling and levels of crime; the growth of electronic or Internet gambling; and the extent to which alternative sources of revenues could be developed for State, local, and tribal governments. Based on its examination of these issues, the commission will then make appropriate recommendations to policymakers at all levels of government.

The substitute includes my proposal that the commission contract with the National Academy of Sciences [NAS] to assist in producing the study, with a particular emphasis on employing the NAS to study the problem of pathological gambling. This may be the most pernicious aspect of the growth of legalized gambling and we don't have much knowledge about it. We read the occasional story in the newspaper about some of the elderly cashing their social security checks to play the slot machines; teenagers gambling on the internet; the poor getting hooked on the lottery or keno; or others committing suicide under the weight of crushing casino debts. But we don't have much national or aggregate information on problem gambling and how it is being affected by the rapid growth of the industry. With its scientific expertise, the NAS is the ideal organization to gather and analyze this information.

The commission is also directed to utilize the Advisory Commission on Intergovernmental Relations [ACIR] to review existing State and local laws and policies on gambling, including existing enforcement and regulatory practices that address crime and gambling. Earlier drafts of the substitute had ACIR carrying out all the responsibilities of the commission. I thought that was too much for ACIR to do, first, because some of the aspects of the study are outside the scope of ACIR's expertise and second, because some in Congress have unfortunately

succeeded in nearly zeroing out ACIR's appropriation, thus making it difficult, if not impossible, for ACIR to carry out the commission's work. This version wisely focuses ACIR to look at the Federalism aspects of the gambling issue, where ACIR's expertise would be most helpful and where it will need less funding to do the work.

The Stevens substitute does grant the commission limited subpoena authority. Some have argued that subpoena power gives the commission an open license to conduct a witchhunt in a legitimate industry. These arguments have been raised in discussing the House version, which grants the commission unlimited subpoena authority and charges it with such missions as investigating organized crime and political corruption. The Senate bill is different. We don't have the commission looking into organized crime or political corruption. Its mission is to focus on the broader socioeconomic impact of gambling, with the only matter relating to crime that the commission is to look at is the correlation between gambling and crime rates. This would be valuable information for states or communities who are considering legalizing gambling in their jurisdictions.

The Stevens substitute does grant the commission power to subpoena documentary information. I think such subpoena authority is needed to ensure that the commission has access to all the documents it needs to carry out its work in a thorough and independent manner.

I would point out that the 1976 commission had subpoena authority. I would like to read an excerpt from a letter from Charles Morin, Chairman of the 1976 Commission, to Congressman FRANK WOLF, sponsor of the House bill.

The 1972-76 commission had subpoena power and, because of that, we never had to use it—in other words, when you have the power you will get cooperation. Obviously, the power need not be unrestricted and Congress may see fit to provide safeguards and, if the power were to be abused and there were non-compliance, the commission would be forced into court to compel compliance—something it would be most reluctant to do. On the other hand, if it were used legitimately, it would mean that information had been withheld for a reason—which is why you must have the power! And in the normal instance, as we found out from our years of experience, the knowledge that we had the power and would not hesitate to use it provided all the persuasion we needed.

I think Mr. Morin sums up pretty well why subpoena power is needed. But he does note that Congress may wish to put some parameters and limits around the commission's subpoena power. We've done that. The commission may only subpoena documentary information, and that is only after those who possess the materials fail to supply them as requested by the commission. The commission cannot subpoena witnesses to compel public testimony. This should satisfy those who are concerned that the commission might misuse its subpoena authority to

create some sort of public spectacle. The commission may also issue a subpoena in order to help it understand the materials already obtained pursuant to that authority, and the choice is given to the respondent to submit answers either through a sworn deposition or written interrogatories under oath. Finally, we require the commission to issue written notice to the Attorney General at least 10 days in advance of issuing any subpoena.

Still, some remained concerned that the commission would misuse its subpoena authority to publicly disclose confidential business information, or violate the privacy of certain individuals who gamble. So we added an additional safeguard. We placed the commission under the Trade Secrets Act, Federal law which carries with it both civil and criminal penalties for the unauthorized disclosure of confidential business information by any Federal employee. Serious violations of the act can lead to a jail sentence of up to one year. The Trade Secrets Act applies to all Federal employees and officers of the Federal Government and we would extend its application to the members and employees of the commission.

So we have put some limits on the commission and set up penalties if those limits are violated. Those who might argue that we have created some renegade commission are misguided. We have granted the commission the powers it needs to carry out its mission, but we've also ensured that penalties exist for those who abuse those powers.

There are a couple of points I would like to clarify in the legislation since we did not file a report on it. First of all, we are making one change to the bill since the markup. We are correcting language in Section 5 to ensure that the Trade Secrets Act covers not only subpoenaed information, but information voluntarily supplied to the commission. Without this change, people would be discouraged from voluntarily supplying confidential business information to the commission as it would otherwise not be protected. Our change also includes a provision that ensures that the Trade Secrets Act applies only to confidential business information. Business or other information that is currently available to the public or already in the public domain, such as information in trade publications, journals, magazines, 10(k) filings, etc., would not be covered by the act. The commission should be able to publicly discuss and release information that is already in the public domain without fear of facing some frivolous lawsuit.

The commission, under section 5(b)(2), is allowed to issue additional subpoenas to further its understanding about materials already produced by that means. The respondent, again, has the choice as to how to comply—either by a sworn deposition or through written interrogatories under oath. In my view, it is crucial to discuss what the

verb "to understand" means in this regard. Indeed, it is a relatively new term of art in defining subpoena authority. A very narrow reading would limit such a subpoena to helping the commission understand only what is written on a page. I do not subscribe to this very restrictive interpretation and certainly do not think it is our intent to do so. Questions about the facts and circumstances beyond the four corners of a document—how it was developed, who was responsible for writing and/or approving it, and under what context—may be well necessary and crucial to augment the commission's understanding of the materials at hand and carry out its duties. I think the commission should have such authority and use it, if necessary, to clarify and supplement the information contained in the documents themselves. That's the only way the commission will be able to fully comprehend the meaning and context of any subpoenaed documents.

This commission will be closely watched by many, including those with the power and resources to tie the commission up in costly litigation. It is subject to the Federal Advisory Committee Act [FACA], a statute which requires compliance with open meetings and public access, but also a statute that allows litigation, something we've seen a significant amount of in the last several years with various executive branch commissions and taskforces. So I would urge the commission at its first meeting to read FACA and to closely adhere to its requirements.

We've given the commission significant latitude in establishing its own rules and procedures of operation. I would urge that at its very first meeting that the commission establish those procedures, and not wait until later when some issue arises and the commission has not set appropriate rules to deal with it. In particular, the commission should establish its rules for the issuing of subpoenas in their first meeting, and not wait to establish those rules just before the commission is actually considering issuing a subpoena.

In closing, I want to thank Senators SIMON, LUGAR, and LIEBERMAN and their respective staffs for working with Senator STEVENS and I to develop this legislation. It is a well thought out proposal that will ensure a thorough, balanced, and fair examination of gambling in America. I urge my colleagues to support it.

Mr. BREAUX. Mr. President, I would like to engage Senator STEVENS in a colloquy regarding the enforcement of a subpoena issued by the Gambling Impact Study Commission. The vast majority of Federal commissions created by Congress in recent years have not possessed subpoena power. Of the few commissions in the past that have been granted subpoena power, and in this case I support it, the authority to enforce a subpoena was typically placed with the U.S. Attorney General. For

example, legislation which established the National Indian Gaming Commission, the Commission on Civil Rights, the Commission on Government Procurement, and the President's Commission on Organized Crime expressly specified the Attorney General's involvement in any action to enforce a subpoena.

The language of S. 704, the Gambling Impact Study Commission Act, provides that " * * * the Commission may apply to a U.S. district court for an order requiring that person to comply with such subpoena." It is my understanding that the Attorney General, which has expertise in this type of matter, could be asked by the commission to seek enforcement of a commission subpoena, and it is often the case that the Attorney General is asked to do so.

Mr. STEVENS. The Senator is correct. We have been in contact with the Department of Justice [DOJ] and have been advised informally the DOJ would not object to enforcing a subpoena issued by the commission. In fact, they have been operating under the assumption that they would be called upon to enforce such a subpoena. There are many other Government bodies which use DOJ to enforce subpoenas and they are fully staffed to handle such requests.

Mr. BRYAN. Mr. President, a matter that I would like to clarify with the bill's lead sponsor, Senator SIMON, involves two interrelated issues regarding the Commission's study of the role of advertising in promoting gaming. First, unlike the Commission's other areas of study, advertising is a constitutionally protected right of communication between buyers and sellers of legal products. Second, the Federal Government, through the Federal Trade Commission, already exercises broad enforcement and regulatory authority over false and deceptive advertisements in general, including those for gaming.

My question to my colleague is whether the Commission will be mindful of the unique first amendment liberties for advertising, and of the FTC's already existing regulatory authority over false and deceptive advertising when the Commission assesses and evaluates the impact of gaming advertisements.

Mr. SIMON. My answer to my friend from Nevada, Senator BRYAN, is an unequivocal yes on both counts. As my colleague points out, the first amendment freedom of commercial speech provides important liberties for advertising. It is my hope and intention that the Commission will grant special attention to the first amendment implications of its recommendations and avoid trespassing upon any constitutionally protected freedoms of commercial speech when it formulates its policy recommendations.

Moreover, as my friend from Nevada points out, section 5 of the Federal Trade Commission Act empowers the

FTC to prevent "unfair or deceptive acts or practices affecting commerce." It is my hope and intention that the Commission will take this fact into account and, to the extent practicable and appropriate, will incorporate the FTC's existing authority and expertise over false and deceptive advertising.

Mr. BREAUX. Mr. President, I would like to engage Senator STEVENS in a colloquy regarding the privacy rights of individual citizens who engage in legal gambling activities.

The Gambling Impact Study Commission Act (S. 704), which I cosponsored and support, is intended to conduct a thorough study of issues related to legalized gambling. Private citizens who engage in legal gambling activities, dine in a casino restaurant or stay in a casino hotel, should also have their right to privacy protected.

The sponsors of this bill and other Members of the Senate have been careful to state that the intent of this bill is to conduct a thorough study of the gaming industry while protecting the privacy rights of individual gamblers. I understand that this legislation addresses the privacy issue by prohibiting the release of individual information unless it is in aggregate or summary form and that there are sufficient criminal and civil penalties to prevent public release of such information. In addition, this legislation is intended to be consistent with any other law which offers privacy protection to American citizens, including the Privacy Act of 1974.

Would you agree that the intent of this legislation is to provide the Commission with the necessary tools to gather the information it needs while protecting the privacy rights of Americans? It is my understanding that it is estimated that between 4 and 6 percent of gamblers are compulsive gamblers. Is it correct to assume that, although the Commission can subpoena the information, it would not have a need for the personal records of private citizens, including the vast majority of individual gamblers who are not considered compulsive gamblers?

Mr. STEVENS. The Senator is correct on all counts. This legislation fully protects the privacy rights of American citizens.

Mr. REID. Mr. President, the record should reflect that had this matter been decided by a roll call vote, I would have voted in the negative.

I believe this legislation to be unwarranted, invasive, and potentially capable of doing more harm than good. It is indeed ironic that this Congress, which professes to be a States rights Congress has chosen to take action on a bill that affects an inherently State matter.

While this bill enjoys overwhelming support—even from some in the gaming industry—I believe it establishes a poor precedent. We should not be creating commissions to study lawful industries governed predominantly by State law. Nevada's regulation of gaming works well. As the former chairman of the Nevada Gaming Commission, I know

first-hand the many benefits resulting from this successful relationship.

Notwithstanding over 200 studies of gaming, the proponents of this legislation argue that yet another study is warranted. I believe the most recent impetus for greater examination is but the camel's nose under the tent. Opponents of legalized gaming seek to use this commission as a means to increase both Federal regulation and taxation of gaming. Ultimately, in my opinion, they will not be satiated until this law abiding industry is either outlawed or regulated to death. I wish to disabuse them of any notion that they will succeed in their endeavors without a fight.

It is difficult to even grant this commission the benefit of the doubt. While I have some hope that the commission will appreciate Nevada's model of modern gaming operations I am concerned that it will focus on those stories where gaming has failed. The well organized special interests lined up against lawful gaming operations have consistently demonstrated their willingness to find only one side of the debate. It is imperative that those who are appointed to this commission include people of good will and impartiality who are capable of examining this industry from an unbiased perspective. It does not need headline seekers intent on magnifying a few unique negative stories and painting a broad-brush gloom and doom picture that would unfairly taint Nevada's No. 1 employer.

Perhaps my greatest objection to this measure, however, is the unwarranted inclusion of subpoena power. In this Senator's view, we should not be empowering congressionally appointed commissions with such broad subpoena authority for a study of gaming. Permitting the exercise of such a coercive tool only invites mischief and abuse by those who are hostile to the gaming industry.

I realize it is the prerogative of the majority to set this Congress' agenda and prioritize those issues that should be addressed. I do not believe the formation of this unwarranted commission is, or should be, a priority. Again, this is a matter of States rights.

Today, by voting against this bill, I realize I represent but the smallest minority. However, I believe my concerns about the potential for abuse and officious intrusion are entirely warranted. There is not a doubt in my mind as to the ultimate agenda of the antigaming extremists. It is my sincere hope that my fears are proved wrong. I wish I could stand before this body and say I look forward to reading a responsible and insightful report on gaming. Unfortunately, while this commission may be created with the best of intentions, there is too much opportunity for it to do mischief and promote unwarranted proposals. That said, I will be steadfast in my own monitoring of its involvement and agenda.

Mr. BRYAN. Mr. President, I would like to register my strong opposition

to S. 704, the Gaming Impact Study Commission Act. While this bill is improved over the egregious version that passed the House, I still believe this is a waste of taxpayer's money and has the potential of becoming a witch-hunt instead of a legitimate study. If this turns into a witch-hunt, it could have a chilling effect on legalized gaming nationwide and have a devastating effect on the economy of my State of Nevada.

Advocates of legislation to create a Federal Gambling Study Commission have stated the purpose of the commission is to study the socioeconomic effects of all forms of gambling and to make recommendations to Congress. They consistently emphasize that no one, least of all the legal gaming industry, should fear just a study.

While the gaming-entertainment industry has nothing to fear from a fair and unbiased study, anti-gaming groups have tried to skew this study into looking at only one side of the issue and to turn this into a crusade.

The argument has been advanced that a Federal commission is needed to look at the impacts of the spread of gaming because State and local governments lack the ability to acquire and act on objective information in the face of well-financed attempts to put casinos or other gaming-entertainment operations in their area.

The reason why this premise is false is that even without the assistance of a Federal commission, jurisdiction after jurisdiction has actually decided not to approve an expansion of gaming. No State has approved new casino gaming for several years. For example, 7 of 10 gaming initiatives were defeated in 1994 and no new casino gaming or video poker was approved by a new jurisdiction in 1995.

The proposed commission is a Federal solution in search of a nonexistent State problem: States are free to make their own decisions on whether to permit gaming, one way or another.

Still others attack legalized gaming as some insidious form of entertainment that must be banned. The fact is today the legalized gaming industry is as legitimate a business as any of the Fortune 500. More than 50 publicly-traded companies, all regulated by the Securities and Exchange Commission, own gaming interests. The stocks of these companies are owned by millions of Americans around the country.

The gaming-entertainment industry directly and indirectly employs over one million people throughout the United States, paying \$6 billion in salaries in 1994 alone. The casino gaming-entertainment industry paid more than \$1.4 billion in taxes to State and local governments in 1994 with an estimated \$6 to \$7 billion more paid by other forms of gaming-entertainment, such as State lotteries, horse and dog racing.

Nevada is proud to be the gaming-entertainment capital of the world. Nevada's gaming industry provides 43 percent of the \$1.2 billion annually going

into the State's general fund. About \$215 million from gaming revenues is dedicated to the State's university system and another \$400 million goes to kindergarten through grade 12 education programs.

None of this is to suggest that the gaming-entertainment industry, like any other major business, particularly one which hosts millions of visitors each year, does not have its share of public issues and challenges to address. The industry, to its credit, is making a serious effort to address concerns about problem gaming. For example, the industry recently made a multi-million dollar commitment to a new national center for responsible gaming which last week chose the Harvard Medical School's division of addiction for a \$140,000 grant to study problem gaming.

This all leads me back to the question of why we need to spend taxpayers dollars to study gaming.

Again, this bill is better than the House version which contains an open-ended, unrestricted authority for the commission to issue subpoenas. In the House version, there are almost no protections on what could be subpoenaed and what they could do with this information.

I do not believe gaming is appropriate for all locations. Each community should weigh the merits and decide if they want gaming, and if they do, what types of gaming and under what conditions do they want it.

I am concerned that in certain jurisdictions gaming is not being adequately regulated. Nevada's gaming industry is closely monitored with the State regulatory body employing 375 individuals. Unless the regulation is improved in certain jurisdictions, including Indian casinos, we may see problems down the line. We should make it a priority to improve this regulation.

I regret some groups have seized this issue to make a full court press against all gaming. Gaming-entertainment is a legitimate, highly-regulated industry that is being unfairly maligned. It has made significant contributions to the Nation's economy and I am proud of the benefits it has brought Nevada.

Mr. LAUTENBERG. Mr. President, in recent months, the gaming industry has come under considerable attack here in Washington. And as a senator who represents thousands of ordinary people who are employed by the industry, I want to come to their defense.

Mr. President, if you believed some of the rhetoric around here, you would think that gaming is the root of all evil. Yet millions of Americans gamble, whether in the form of State lotteries, office pools, race track betting, church bingo, or casino gaming. For these citizens, gaming is fun, it is exciting, and, if pursued in moderation, it need not do any harm.

Gaming is also an important part of our economy, and provides jobs and opportunities for thousands of our citizens. Nationwide, casinos provide jobs

for over 365,000 Americans. In Atlantic County, NJ, casinos directly supply one out of three jobs. Last year, 33 million people visited Atlantic City, more than any other city in America.

Mr. President, in 1976, the voters of New Jersey decided that they wanted Atlantic City to have casinos. That was a democratic decision that reflected the views of our electorate. Nobody forced New Jerseyans to vote that way. They evaluated the benefits of gaming, and they made their choice.

As a result of that decision, revenues generated by the gaming industry in New Jersey have provided literally hundreds of millions of dollars for various projects throughout the State. They have financed the New Jersey Vietnam Veterans Memorial. They have built hundreds of homes. They have renovated day care centers, a bus terminal, and a trauma center.

They also have helped improve the lives of countless numbers of people living in the area. In Atlantic City, the number of families on Aid to Families with Dependent Children has dropped by about 30 percent since the first casino opened.

The more than \$1 billion from casino property taxes paid since 1978 have lowered the burden on other property owners and supported schools in Atlantic County. Taxes on casino revenues have supported pharmaceutical assistance to the elderly, nursing and boarding home care and assistance with utility bills for senior citizens and the disabled.

Mr. President, in the past, some casinos have been tied to organized crime and other problems. But it is unfair to assume, as some do, that these problems are inevitable. Atlantic City's casinos are the most regulated in the country, perhaps the world. And the history of the last two decades is that, by and large, this regulation works.

Mr. President, I met recently with the heads of the New Jersey casinos. And I can tell you that the industry is not concerned about a study, if it is conducted in a fair and impartial manner.

But, Mr. President, I have real concerns about the likelihood that the commission to be established by this legislation will not be impartial. The whole impetus for this legislation seems to be coming from the Christian Coalition and others who are on a moral crusade against the industry. Maybe some of my colleagues believe that Ralph Reed and others only want an objective evaluation of this industry. But I doubt it. Instead, Mr. President, this study seems designed to lay the groundwork for a massive attack on the gaming industry. An attack that serves the political goals of a radical fringe.

I want to acknowledge that, as with many other products and services, some people who gamble do so to excess. And that can be a very serious problem. Compulsive gamblers can destroy themselves and their families with just a few rolls of the dice, and

they need help. We should not ignore their plight. In the case of other addictions, we've encouraged public education efforts which have proven to be the most effective deterrent to excesses. I would encourage States and localities to consider such efforts, if appropriate. However, for the overwhelming majority of people, gaming is a complement to a vacation or the equivalent of going to a movie on Saturday night. It is recreation. And, in the case of Atlantic City, the tourism industry is making great efforts to diversify and provide attractive convention facilities and opportunities for family vacations. I would hate to see these efforts, and the contribution they make to our State's economy and communities, hurt by a political witch hunt.

So, Mr. President, I hope that the commission's study will prove to be objective, balanced, and fair. And I hope its conclusions are reasonable and rational. However, if this study simply leads to punitive legislation, which will hurt the hundreds of thousands of men and women who work in our casinos and related jobs, I will fight it every step of the way.

Mrs. KASSEBAUM. Mr. President, I rise today in support of S. 704, legislation to establish a national gambling impact study commission.

In the past few years, we have witnessed the rapid proliferation of the gaming industry across the Nation—initially under Indian tribal ownership and more recently by State governments. In my home State of Kansas, the casino and slot machine issue has been hotly debated. Race tracks and river boat gambling have been established in the Kansas City area, and both the Kickapoo and Potawatomie Nations have plans to expand certain gaming facilities on tribal lands.

I realize that gaming can provide tremendous revenues for State and local economies, particularly for Indian tribes wishing to improve reservation conditions and provide employment opportunities. In this regard, gaming has produced positive results. However, growing evidence indicates gambling has some harmful side effects. A particular concern focuses on reports that gaming causes the breakup of families, suicides, increased teenage gambling, corruption, and the closing of main street stores.

Mr. President, I think an impact study would help Americans better understand the unintended social and economic effects the gaming industry is having on our families and communities. I also believe we have a responsibility to bring together all the relevant data so that Governors, State legislators, and citizens can make more informed decisions about gambling in their home States.

Concerns have been raised in the Senate regarding the commission's original subpoena authority. As my colleagues have already stated, however, those concerns were addressed by the

Senate Committee on Government Affairs when it adopted the Stevens substitute amendment on May 14. In my view, the final measure represents a balanced approach—one that addresses individual privacy rights and business trade concerns but also provides the commission the authority and resources necessary to thoroughly examine this issue.

This legislation has drawn broad, bipartisan support in Congress. I strongly urge my colleagues to vote in favor of S. 704.

Mr. COATS. Mr. President, there is a shadow creeping across the American landscape. It thrives in some of the poorest of our urban and rural communities. It threatens our towns and cities with economic cannibalism. It undermines our political process with a flood of cash into the campaign coffers of our politicians. It preys upon the weakness of the poor, the elderly, and the young with the promise of easy money. It undermines the family with pathological addiction and spousal and child abuse, and neglect.

Mr. President, what is this menace? We know it all too well. It is gambling. An industry that, just a few years ago, was frequently pursued by law enforcement agencies from the Federal Bureau of Investigation down to rural county sheriffs is today touted as the economic savior of communities across America. And it is increasingly embraced and promoted by State and local government across the country as the answer to chronic government funding problems.

Mr. President, the gambling industry is booming. In 1988, only two States—Nevada and New Jersey—permitted casino gambling. By 1994, 23 States had legalized gambling. During this time, casino gambling revenue nearly doubled. In 1993, \$400 billion was spent on all forms of legal gambling in American. Between 1992 and 1994, the gambling industry enjoyed an incredible 15 percent annual growth in revenues.

Many of my colleagues would look at this performance and say "good for them." Many would cite the gambling industry as an American success story. I am not so enthusiastic. There are many unanswered questions regarding the hidden costs of rolling out the welcome mat for the gambling industry. Many of the promises made by the gambling industry—of jobs, economic growth and increased tax revenues—are dubious at best. The statistics on the devastating impact on our families are beginning to roll in. Concern about teenage gambling addiction is growing as more and more teens are lured by the promise of easy money. Crime and suicide numbers are sky-rocking in communities where gambling has taken root.

Mr. President, it is time to take a good, hard, objective look at the gambling industry and the gambling commission proposed in this bill is an important step toward getting the facts.

Critics of a gambling study commission claim that this is purely a State

issue, that there is no Federal role. This claim will not bear scrutiny. Article 1, Section 8 of the Constitution clearly provides Congress authority over issues of interstate commerce. Mr. President, surely a one half trillion dollar-a-year industry, in which parent corporations own and operate facilities in multiple States, can be considered interstate commerce. Further, gambling interests are involved in political campaigns in virtually every State, and crime associated with gambling does often cross State lines. Finally, given the potentially devastating impact of pathological gambling on the American family, it is critical that this Federal commission be established to gather the facts on the explosion of legalized gambling.

Opponents of this commission have raised many charges against it. They have claimed that the commission is a tool of the religious right. They have claimed that the commission will become a witch hunt against the gambling industry.

Mr. President, these claims are unfounded. The appointment of commissioners will be equally divided between the executive branch and the two Houses of Congress, ensuring that no faction may dominate the work of the commission. Further, Mr. President, the scope of the commission is clearly established within this legislation, which will prevent commission members from embarking on unrestricted investigations of the industry. Finally, this legislation enjoys broad bipartisan support, across both ideological and political lines, in both the House and Senate. President Clinton has indicated his support for this commission. The national media and newspapers across the country have been unanimous in advocating this gambling study commission.

Mr. President, in recent years the gambling industry has preyed increasingly on struggling rural communities. These communities have been targeted with millions of dollars in promotional money and lobbying. They are lured by the promise of booming economic development, new jobs and expanded tax revenues.

There can be little doubt that this promise has held true in the short-run for some communities. What many communities are beginning to discover, however, is that in the medium and long term, gambling takes a lot more from our communities than it gives. These costs are measured in broken families and broken lives.

Our communities are being sold on the vision of becoming another Las Vegas. They are being promised tourist dollars and booming economic growth. The reality is different. The preponderant majority of gamblers on riverboats and in this new breed of casino are from the local community. Essentially, the gambling industry is cannibalizing the local economy.

A 1994 study of riverboat gambling in Joliet, IL found that 74 percent of all

players came from within 50 miles of Joliet. A similar study of gambling in Aurora found that 70 percent of all players came from the immediate Aurora area, with only 3 percent coming from outside the state of Illinois. Henry Gluck, the CEO of Caesar's World casino firm told a 1994 New York State Senate hearing on gambling that the potential for casinos to attract outside dollars, and I quote, "truly applies to a few major cities in the United States." I doubt that this is the message that the people of Harrison County, IN are getting from the gambling industry.

It is becoming increasingly clear that these casinos provide little additional value to local economies and tend to shift money out of local businesses. Casinos are one-stop entertainment. They provide meals, drinks and everything else. Players simply take entertainment dollars that would normally be spent at local restaurants, bowling alleys, baseball parks, and movie theaters and spend them at the casinos. This is not economic growth. It is economic churning.

Crime is another critical issue that this Commission will examine. Traditionally, organized crime has been synonymous with the gambling industry. There is every indication that its influence is still present. However, just as important are the more local concerns of dramatic increases in theft and violence that has followed the growth of gambling in America. A study conducted by "U.S. News and World Report" found that crime rates in communities with gambling are nearly double that of the national average. Examining assault, burglary, and larceny, the report found 1,092 incidents per 10,000 population in 1994 in communities where gambling is present. The national average for these crimes is of 593 per 10,000 people. U.S. News concluded that " * * * towns with casinos have experienced an upsurge of crime at the same time it was dropping for the Nation as a whole. They recorded a 5.8 percent jump in crime rates in 1994, while crime around the country fell 2 percent." This same study found that in 31 locations that got new casinos crime surged 7.7 percent in the first year following the introduction of the casino.

Deadwood, SD legalized casino gambling in 1989. Five years later serious crimes had increased by 93 percent, forcing the community to double the size of its police force. In Central City, CO assaults and thefts increased by 400 percent in the first 2 years after gambling's introduction.

Mr. President, our Nation is all too aware of the toll that crime takes on our cities and towns. It is critical that we come to understand how gambling acts as a catalyst for criminal activities and provide these facts to communities that face decisions about inviting this industry into their local economies.

Another area of concern is that of pathological gambling. For decades

now our Nation has struggled with the demon of addiction. In the past, this problem has taken the form of drugs and alcohol. However, the rapid expansion of gambling injected a new narcotic into the Nation's bloodstream. Problem and pathological gambling is on the rise. The National Council on Problem Gambling places the number of Americans with serious gambling problems at around 5 percent. Most studies confirm this estimate. However, as gambling becomes more pervasive, this number is increasing. What does this mean?

As with other addictive behaviors, gambling impacts the individual, their families, their job, virtually every aspect of their lives. Marital problems—separation and divorce, spousal and child abuse and neglect, substance abuse, and suicide are all side-effects of problem gambling. Durand Jacobs, an individual who has done outstanding research on the impact of gambling, conducted a study of 850 Southern California high school students. He discovered that "children with gambler parents experienced almost twice the incidence of broken homes caused by separation, divorce, or death of a parent by the time they were 15 years old." Another study, published in the *Journal of Community Psychology*, found that about 10 percent of the children of compulsive gamblers had been the victim of physical abuse of the gambler parent. Fully one-quarter of the children in the study suffered "significant behavioral or adjustment problems."

Ronald Reno, in his study on the "Dangerous Repercussions of America's Gambling Addiction," cites a gamblers anonymous study that found that 78 percent of spouses of gamblers threatened separation or divorce with nearly half carrying through on their threat.

Harrison County, MS, an area of intense gambling activity, experienced a 149-percent increase in the divorce rate the year following the introduction of riverboat gambling. A study in Deadwood, SD, found that reports of domestic abuse have risen more than 50 percent since the advent of legalized gambling. Central City, CO, experienced a six-fold rise in child protection cases in the first year following casino gambling's introduction.

Mr. President, perhaps the most disturbing fact about the spread of gambling is the danger it poses to children. As with other addictive behaviors, our children are most vulnerable to gambling addiction.

The March 1996 edition of "Policy Review" tells the story of Joe Kosloski. Joe, then 16, won a little money at a bowling tournament. Taking the money, he and some friends headed for the Atlantic City casinos. Despite being only 16 at the time, these kids got in. Joe got on a roll, and parlayed his winnings into a couple of thousand dollars. Like most gamblers though, Joe's luck did not last. His fever for gambling, unfortunately, did.

Once the cash ran out, Joe opened credit accounts in the names of family members and used cash advances and credit cards to gamble. When Joe's scam finally came crashing down on him, he had amassed a \$20,000 debt. At 20 years of age, with no previous criminal record, he is in Pennsylvania Federal Prison for credit card fraud.

Mr. President, it had been my intention to offer an amendment to S. 704. As currently written, the bill would provide the Commission the power to subpoena documents only. In my view, this substantially limits the Commission's ability to do its work. The gambling industry is a one-half trillion dollar a-year cash business. Many of the insidious tactics used by the gambling industry to bilk people out of their money must be considered by the commission in order to understand fully the modern business of gambling. These techniques range from themeing—the development of themes within the casino to attract and hold people there for longer periods of time—to various techniques to entice people to place more frequent or higher wagers. Here I quote from a "U.S. News and World Report" article of March, 1994:

A decade ago, most casinos bothered to gather data only on high rollers. Now they use slot-club cards to snare the meat-and-potatoes guy, too. After filling out a survey and receiving an ATM-like card, slot junkies insert them into a "reader" built into almost all slot machines. In a distant computer room, casinos track the action 24 hours a day, down to the last quarter.

Players who use the cards the longest get the most comps, somewhat like a frequent-flier giveback. At the Trump Castle in Atlantic City, an internal document shows that 64 percent of all slot players now use the Castle card. The cardholders lost \$109 million to the slots last fiscal year, or about \$101 per player per trip. Slot players who never bothered with the card, by contrast, lost \$31 per trip on average.

Mr. President, it is my strong belief that this Commission should have full subpoena power to encourage the cooperation of gambling industry figures to appear before the Commission. In order to ensure that this bill was brought to the floor and passed, in order to ensure that there is no delay in getting to the facts, I agreed not to offer this amendment. However, I am here to serve notice that, at the first indication that the gambling industry is dodging the Commission, I will be back here to offer legislation to broaden the Commission subpoena power.

Finally, Mr. President, I would like to talk briefly about State sponsored gambling. In most States this takes the form of lotteries. However, in many States, including Indiana, the lottery has opened the door to scratch tickets, horse racing, casinos, the works. At last count, 48 States have become involved in some form of gambling. Mr. President, given the concerns I have laid out, there is something very disturbing about States promoting gambling as a solution to economic development and shrinking tax bases. To

quote the late Dr. Richard C. Halverson, our former chaplain, this State sponsored gambling is nothing short of a tax on the character of our people. It is dereliction of our public duty to use gambling to solve Government revenue problems.

Annual lottery sales now approach \$32 billion. Yet the virtue of gambling as a revenue source is dubious at best. Money Magazine estimates that States keep only about one-third of total revenues generated from lotteries. Further, many States rely on lottery revenue to fill revenue gaps rather than lower taxes. Many States claim to use the lottery to fund education. However, the proportion of State spending on education has remained relatively unchanged.

Perhaps most disturbing, Mr. President, is that as States are being flooded with gambling cash, the tide of political scandal is rising. Across the country, State legislators are grappling with how to stem the tide of gambling interest dollars and the corruption that follows it. And Congress is no exception. Gambling dollars are also finding their way into our campaigns. Mr. President, I feel strongly that the Commission should examine this problem in detail.

In closing, Mr. President, I congratulate Senators LUGAR and SIMON for getting this bill passed. It was no easy task. In addition, I reiterate my concern and my warning regarding the subpoena issue. If the gambling industry throws its lawyers at the Commission the way they have thrown their lobbyist at Congress, I have little doubt that we will revisit this issue.

Mr. LOTT. Mr. President, I ask unanimous consent that a managers' amendment at the desk be deemed considered and agreed to, the bill be deemed read the third time, the Senate proceed to the House companion measure, Calendar No. 344, H.R. 497, and all after the enacting clause be stricken and the text of S. 704 be inserted in lieu thereof, the bill be deemed read the third time, and passed, the motion to reconsider be laid upon the table, and any statements or colloquies relating to the measure appear at this point in the RECORD. Finally, I ask that S. 704 be returned to the calendar.

Mr. REID. Mr. President, reserving the right to object. I want the RECORD to reflect when the voice vote is done, or whatever the procedure is to get this matter passed, that I be recorded as voting "no" and that I be allowed to insert in the RECORD a statement regarding this legislation dealing with the unanimous-consent request.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Mr. President, I would like that to be a part of the request.

Mr. BRYAN. Mr. President, I make the same request.

Mr. LOTT. Mr. President, I add that to the unanimous-consent request. I ask to include the statement and position of both of the Senators from Ne-

vada. Mr. President, without their cooperation, this would not be possible. Like them, I have some reservations, but they have helped work out the problems, and I think they should get the opportunity to be recorded against this Commission, even though they have agreed to let it go on a voice vote.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 497), as amended, was deemed read the third time, and passed.

Mr. LOTT. Mr. President, I want to recognize the diligent efforts of the Senators who have been working on this Commission. Senator LUGAR, from Indiana, has been very helpful. He is one of the two original sponsors. He has been ably assisted in our effort to clear out problems by Senator COATS from Indiana. Several Senators had some amendments they were interested in on both sides of the aisle, and they have agreed to withhold those. There was also, of course, the very fine work of Senator SIMON to help work through problems on the Democratic side of the aisle. Without their cooperation, efforts, and commitment to this, it would not have happened. In fact, I would not have been pushing for it personally.

So I commend them. I would be glad at this point to yield the floor so they can make statements.

One final person, if I might, Mr. President. I would like to also commend the chairman of the Governmental Affairs Committee who had this hot potato in his lap and managed to work it out in a way so that we can get it approved by unanimous consent. I thank him for that work.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, the Senator from North Carolina has been very patient with us this afternoon. He repeatedly sought the floor. We have urged him to delay. I now ask that, in morning business, he be recognized so that he may make his statement for 12 minutes.

The PRESIDING OFFICER. Is there objection?

Mr. SIMON. Mr. President, reserving the right to object—I shall not—I would like to speak for 2 minutes on the bill.

Mr. STEVENS. Let me ask this. I ask unanimous consent that Senator FAIRCLOTH be recognized for 12 minutes, Senator SIMON for 2 minutes, and Senator KENNEDY for 3 minutes as though in morning business so that we can get that out of the way. Then we will go back to the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from North Carolina.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent to be recognized as if in morning business for 12 minutes.

Mr. SIMON. Parliamentary inquiry, Mr. President: I reserved the right to

object subject to my being acknowledged for 2 minutes to speak on this bill. I do not think that the request was granted.

Mr. STEVENS. The request was granted, Mr. President. We had committed to Senator FAIRCLOTH first, if the Senator does not mind.

Mr. SIMON. I would like to speak for 2 minutes on the bill which was just passed, if I may. I think my colleague from North Carolina would yield to me.

Mr. FAIRCLOTH. I yield to the Senator from Illinois for the 2 minutes, if I may then go.

Mr. SIMON. I thank him.

Mr. WARNER. Mr. President, will the Senator kindly yield to me 1 minute following the Senator from Illinois? I am on the same bill.

Mr. FAIRCLOTH. I also yield to the Senator from Virginia.

Mr. STEVENS. Mr. President, respectively we have already yielded to the Senator from Massachusetts following the Senator from North Carolina. If our request is going to be honored, I hope we will adjust this accordingly.

Does the Senator from Virginia seek to speak on the same bill as the Senator from Illinois?

Mr. WARNER. Mr. President, that is correct; the same bill on which I am a cosponsor.

Mr. STEVENS. May I suggest that the Senator from Illinois be recognized for 2 minutes, the Senator from Virginia for 1 minute, the Senator from Massachusetts 3 minutes, and the Senator from North Carolina will have his 12 minutes.

I rephrase my unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Illinois.

Mr. SIMON. Mr. President, I thank a number of my colleagues for their help on creating the commission that has just passed, assuming the House acts favorably.

Particularly, I would like to thank my colleague from Indiana, Senator LUGAR. Senator WARNER from Virginia has been very helpful. Senator John GLENN was helpful. Senator STEVENS was helpful. And a number of others that I should acknowledge, as well as Michael Stevenson of my staff. What we have just done is to say, let us look at this problem. I think we owe that to the Nation, and I appreciate our colleagues doing that.

The fastest growing industry in our Nation today is legalized gambling. Is this good for the Nation? Is it not? Should it be slowed somewhat? No one suggests that we are going to close down Las Vegas or Atlantic City. But I think we ought to look at this problem and see what the dimensions of that problem are and what we ought to do. That is what the commission bill does.

I thank my colleagues.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I wish to join in thanking the principal spon-

sors of the bill—the Senator from Indiana, the Senator from Illinois and the Senator from Alaska and also my distinguished colleague in the House of Representatives, Representative FRANK WOLF. I have been working as a team with FRANK WOLF. It is essential for America simply to listen and learn about the growth of gambling. Then we can decide for ourselves. States and individuals can decide for themselves. But this bill will start a vital educational process.

I am privileged to have been a part of the effort which has succeeded today. We did not get everything we wanted. But we have certainly made a start, and, if necessary, there may be a sequel to this piece of legislation in the future.

Mr. WARNER. Mr. President, I applaud passage of the Gambling Impact Study Commission Act. It has been apparent for some time that a reasonable consensus had been reached on providing the Commission with reasonable powers and duties, and I congratulate the leadership for bringing this important bill to the floor.

I also congratulate Senator STEVENS for maneuvering this legislation through a tricky legislative process. Senators LUGAR and SIMON have done a remarkable job of keeping public attention on this issue. And Representative WOLF from my home State of Virginia has certainly been a leader in steering this legislation through the House of Representatives. I have enjoyed working with all of them to make sure that the facts about gambling are laid before the people so that they and their representatives can make fully-informed decisions about gambling in their States and communities.

Mr. President, we all know that the benefits of gambling are often easy to see—tax revenues for the States, jobs created in casinos, attention paid to cities or States with exciting games and lotteries. These benefits are very evident in a number of our communities around our country.

The problem is that the downsides of gambling are harder to see. If a teenager gets addicted to gambling, or a father loses his family savings, the effects on their families, their employers, and their friends, are difficult to quantify. And just as there is no doubt that the benefits of gambling are real, these hidden costs are very real indeed.

This Commission will be an unbiased factfinding body to analyze the effects of gambling. The Commission will have a number of important topics to consider, including: gambling addictions, reliance by States on gambling revenues, advertising, the effect of increased gambling operations on Native American communities and reservations, relationships between gambling and crime and alcoholism, and effects of gambling on other types of businesses and entertainment. The Commission will have a full plate of issues to consider and I am confident this bill

will provide it the resources and time for thorough investigations and recommendations.

The gambling industry has spoken out against the investigatory tools this bill gives the Commission and I can understand their concern that the Commission be even-handed. I believe the compromise reached concerning the scope of the Commission's use of subpoenas and hearings responds to those concerns. For the Commission's conclusions to be reliable, it must have good information from the industry—without this cooperation, the Commission would be no more useful than the incomplete and biased studies States and localities have had to rely upon in the past.

The Commonwealth of Virginia has considered a number of types of gambling over the past several years. It has adopted some, such as a State lottery, while rejecting others like riverboat casinos. The new Commission will be able to provide the Virginia legislature, executive branch, and citizens with more accurate facts as they continue to debate the future of gambling in the Commonwealth.

I do not favor federalizing regulation of the gambling industry—this bill does not require or foresee any Federal response to the findings made by the Commission. It is a fact-finding act. Seeing the growing importance of gambling in our society, however, I have concluded that discovery of these facts for consideration by the States may be more important than any new Federal legislation.

Again, I congratulate the leadership and sponsors, and I hope that this legislation can be enacted in the very near future.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized according to the agreement.

Mr. KENNEDY. Mr. President, I thank the Chair. I thank Senator FAIRCLOTH.

Mr. President, speaking today at a private high school in Minneapolis, candidate Bob Dole—formerly Senator Bob Dole, who should know better—offered the American people what he called an "Education Consumer's Warranty." But candidate Dole was not being candid about the facts.

He did not hesitate to bash teachers and students. But many of his criticisms were based on blatant misinformation, and he offered no solutions to the problems he mis-identified.

Candidate Dole said that test scores and literacy are dropping. In reality, math and science scores on the National Assessment of Educational Progress are up since 1982—for 9-13- and 17-year olds. In addition, American students finished second among 31 nations in a 1992 study of reading skills.

Candidate Dole said that students are taking fewer courses in basic subjects. The opposite is true. In the early 1980s, only 13 percent of high school graduates had 4 years of English and at

least 3 years of math, science, and social studies. By 1990, according to the National Center for Education Statistics, 40 percent of high school graduates had taken at least those basic courses.

Candidate Dole said that SAT scores are dropping. He was right 10 years ago, but he is very wrong now. In 1983, SAT scores had been dropping for a decade. In the 1990s, they are rising. The national average score for the class of 1995 was 910, the highest since 1974.

Candidate Dole also said that dropout rates are rising. In fact, more students are finishing high school and going on to college than ever before. The high school dropout rate has been cut by a third—from 17 percent in 1967 to 11 percent in 1993. Almost 90 percent of students are graduating from high school. Between 1980 and 1993, the proportion of high school graduates going to college increased—from 49 percent to 62 percent.

Despite these improvements, much more needs to be done, and I commend candidate Dole's new-found support for education. As Senate majority leader, he helped lead the Republican attempt to slash funds for education. He even wanted to slash support for safe and drug free schools by more than half. But now he agrees that every student has the right to be safe in school.

Candidate Dole voted to cut support for reading and math by \$1 billion last year. Now he rightly agrees that all students need a solid grounding in basic subjects.

Candidate Dole voted against the Improving America's Schools Act in 1994, which encourages greater parent involvement in the full range of educational decisions for their children. Now he rightly says parental participation is a key component of successful education.

Obviously, when it comes to education, candidate Dole has a difficult time escaping his anti-education record.

By contrast, President Clinton is the "Education President." He has worked tirelessly and effectively to improve education since he was elected in 1992. He led the opposition to the Republicans' attack on education last year, and he has proposed a budget that invests significantly more in education in the years ahead, and while still achieving a balanced budget in the year 2002.

If Americans want an Education President, they already have one. Any "Education Consumer" would be well-advised to go with the proven product, not a candidate who is suddenly discovering the error of his past ways.

Mr. President, I thank the Senator from North Carolina.

Mr. FAIRCLOTH addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

(The remarks of Mr. FAIRCLOTH pertaining to the introduction of S. 1968 are located in today's RECORD

under "Statements on Introduced Bills and Joint Resolutions.")

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1997

The Senate continued with the consideration of the bill.

The PRESIDING OFFICER (Mr. ABRAHAM). The Senator from Alaska.

AMENDMENT NO. 4575, AS MODIFIED

Mr. STEVENS. Mr. President, I send to the desk a modification of the amendment No. 4575, and ask it be considered immediately.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will report.

The bill clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for Mr. SPECTER, for himself, Mr. JOHNSTON, Mr. COCHRAN, and Mr. LOTT, proposes an amendment numbered 4575, as modified.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 19, line 7, before the period insert the following: "Provided, That of the funds provided in this paragraph and not withstanding the provisions of title 31, United States Code, Section 1502(a), not to exceed \$25,000,000 is available for the benefit of the Army National Guard to complete the remaining design and development of the upgrade and to increase gunner survivability, range, accuracy, and lethality for the fully modernized Super Dragon Missile System, including pre-production engineering and systems qualification".

Mr. STEVENS. Mr. President, I ask this amendment be agreed to because it will provide up to \$25 million to upgrade the Dragon Missile System that is currently employed by the Army National Guard. It has been cleared on both sides, I believe.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. INOUE. We have no objection.

The PRESIDING OFFICER. Without objection, the amendment is agreed to.

The amendment (No. 4575), as modified, was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 4493, AS MODIFIED

(Purpose: To provide \$1,000,000 to assist the education of certain dependents of Department of Defense personnel at Fort Bragg and Pope Air Force Base, North Carolina)

Mr. STEVENS. Mr. President, I ask the clerk lay before the Senate amendment No. 4493, as modified.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Alaska [Mr. STEVENS], for Mr. HELMS, proposes an amendment numbered 4493, as modified.

Mr. STEVENS. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 9, line 22, before the period, insert: "Provided further, That of the funds appropriated under this heading, \$1,000,000 is available, by grant or other transfer, to the Harnett County School Board, Lillington, North Carolina, for use by the school board for the education of dependents of members of the Armed Forces and employees of the Department of defense located at Fort Bragg and Pope Air Force Base, North Carolina".

Mr. HELMS. Mr. President, this amendment will help restore equitable treatment for Fort Bragg-based military personnel and dependents who live in and attend school in nearby Harnett County, NC. To achieve this, my amendment authorizes \$1,000,000 from fiscal year 1997 Army O&M funds to be applied to the costs of Harnett County schools' providing quality education to dependent children of Fort Bragg personnel.

This amendment will remedy the gross disparity that now exists in the distribution of impact aid dollars intended to help defray the costs of the schooling of military-connected dependents. Over the years, and despite a substantial increase in Fort Bragg-connected student populations, the Federal Government has provided a declining amount of impact aid dollars to Harnett County. Under current law, Harnett County no longer qualifies for any impact aid funding.

Mr. President, much of the growth in Harnett County's public school system is directly attributable to the influx of military personnel. According to one housing developer in Harnett County, 98 percent of the families buying in one of his communities are military families.

During the past few years, thousands of students have been added to the rolls of Harnett County's school system. Many of them are children of Army personnel and DOD civilians employed at Fort Bragg. This growth has caused severe school overcrowding in Harnett County. Many children attend classes in temporary facilities, such as cafeterias, gymnasiums, auditorium stages, libraries and trailers. In some schools, students must wait in line up to an hour to use the bathroom.

Mr. President, projections indicate that Harnett taxpayers will have to spend \$87,000,000 for new schools within the next decade merely to keep up with this growth. The county simply does not have the resources to build another school without substantial assistance.

The Federal Government has an obvious obligation to provide for the education of military dependents. Because of the nature of military service which requires frequent moves and reassignments, military families seldom have an opportunity to establish strong roots in a community and to become active in local schools. The Federal Government has a duty to ensure that these parents need not worry about the quality of education afforded their children.