Commissioners Present: Andy Lietz, Chair; Joe Foster, Vice Chair; Jim Craig, Mark MacKenzie, Bob Odell, David Babson, David Bailey, Michelline Dufort, Maggie Pritchard, Ned Densmore, Mary Heath, Karen Pollard, Lew Feldstein.

Commissioners Absent/Excused: Tom Ferrini, Bonnie Newman

Staff Present: Gail Wolek

Commission Chair Andy Lietz called the meeting to order at 1:03 p.m.

Chairman Lietz asked Gail Wolek to conduct the roll call. A quorum being present, Chairman Lietz then asked for a motion to approve the minutes of the November 3, 2009 meeting. Commissioner MacKenzie motioned for the minutes to be approved, which was seconded. There being no further discussion, Chairman Lietz called for a vote to approve the minutes. The minutes of the November 3, 2009 meeting of the Commission were unanimously approved.

Dr. Andrew Smith of the UNH Survey Center provided a report to the Commission on results of the Fall Granite State Poll which included several questions on the topic of gaming/gambling in New Hampshire (refer to separate PowerPoint presentation for summary of findings).

Thomas Boucher, Owner/CEO of Great NH Restaurants, Inc., board member of the Granite State Coalition Against Expanded Gambling, and past Chairman of the NH Lodging and Restaurant Association (2005), presented information to the Commission affirming opposition to expansion of gaming in NH (see separate PowerPoint). When queried about the lack of hard data to support his conclusions, Mr. Boucher responded that his position was based on his own personal experience resulting from decades in the restaurant business and the knowledge he gained from serving on trade-associated boards at both the state and national level.

After Mr. Boucher’s presentation, Jim Rubens introduced his guests, Dr. Earl Grinols, Dr. Kevin Harrigan, and James Browning.

Dr. Earl Grinols, Distinguished Professor of Economics, Hankamer School of Business, Baylor University provided a summary of his findings relative to gambling benefits and costs (see separate PowerPoint). Follow-up comments from commissioners included an observation that Dr. Grinols’s report included only problems but didn’t include how offsetting revenues might affect that experience. Questioned about strategies casinos could use to help mitigate problems of pathological gamblers, Dr. Grinols said in reality problem gamers are a significant part of the revenue flow so there is really no incentive for casino operators to pursue mitigation. It was also noted that while the Lottery has some problems, Dr. Grinols asserted that slots are far more conducive to addictive gambling.

Dr. Kevin Harrigan, Research Associate Professor, Canadian Centre for Arts and Technology, University of Waterloo, Ontario, Canada, presented a report titled, “The Design of Slot Machine Games” (see separate PowerPoint). Commissioner Craig asked if governments have slot machine standards to which machines must be set and whether these parameters are established by the government, the market, or the business that owns the machines. Dr. Harrigan said that machines are configurable by the manufacturer and controlled by the “jurisdiction” where they will be installed. Once installed, the machines can’t be tampered with and are serviced by trained technicians to assure that settings have not been changed. Chairman Lietz asked Dr. Harrigan to clarify the difference between a VLT and a slot machine. Dr. Harrigan said a VLT has a screen and play is conducted by touch-screen controls.

Chairman Lietz shared an opinion from the Attorney General’s office that under current state law, any revenues earned from “Lottery” games (i.e., VLT’s) would go to the Education Trust Fund. It is therefore, important for
the Commission to understand the distinctions among the various types of gaming machines available to the
market.

James Browning, Director for Development for Common Cause Pennsylvania, made the following key points
for Commission consideration:

- It is very difficult to limit the influence of moneyed gaming interests once they have gained entry into a
  state.
- Money can, and often will, buy elections, despite campaign contribution limits because companies will
  find ways around the law such as making contributions to national organizations which then funnel
  money back into local campaigns.
- Once elections are determined by overpowering expenditures, the impacts are long-term and the public
  interest has been compromised.
- Pennsylvania has no campaign limits and little disclosure on campaign contributions. The Pennsylvania
  legislature approved 13 gaming facilities with no public hearings involved and later found out that three
  of the state’s Supreme Court justices had interests in the gaming establishments.
- There has been a ten-fold increase in contributions at the federal level from gaming industry interests.
- What does this mean for New Hampshire? It means that the power behind the gaming interests could
  overwhelm local elections in a state where civic engagement is integral to the political process. “The
  experience in every other state is that gambling roots grow very quickly and they grow very deep,” said
  Mr. Browning, who urged the Commission to consider what New Hampshire’s future would look like if
  the gaming industry roots were to grow in the state spreading its influence over the political spectrum
  and gaining obligations/loyalties in the state’s government.

Chairman Lietz asked if expanded gaming in NH would change the political fabric in the state. Mr. Browning
said that all studies indicate that gaming has, by far, the most dramatic change on the political fabric of a state.
Mr. Browning further stated that the average cost of a state election race is doubled. The opposition is
swamped and the local debate is overwhelmed. Mr. Browning said he has observed a “pattern of
heedlessness” by gaming interests in observing the law and that laws intended to limit the ability of lobbying by
any one industry are quickly thrown out of court as discriminatory because all laws should be applied fairly to
all lobbyists.

Mr. Rubens, representing the Granite State Coalition Against Expanded Gambling, provided the final
presentation representing the Granite State Coalition Against Expanded Gambling (see separate PowerPoint
posted on the Commission’s website).

The commissioners participated in a roundtable discussion with the guest speakers. Observations, questions,
and comments included:

- The need to define and collect more information on “problem” and “pathological” gambling in NH and
  appropriate responses to each. Additional information about addiction treatment efforts might be
  useful?
- If the state is to expand gaming, the challenge is to find the best ways “to maximize the money while
  keeping social ills to a minimum.” Concern was expressed about the ability of the state to limit “creep”
  once gaming interests gained a foothold in New Hampshire.
- One suggested approach was to limit any gaming license to a single site, though such an approach
  would likely face legal challenges because NH state law prohibits monopolies.
- Commissioners asked for more information about “flipping”, where one company is awarded gaming
  rights and then sells them to another company. Dr. Grinols said he would provide additional data on this
  issue to the Commission.

To close the meeting, Chairman Lietz reminded the members present that Commissioners Babson and Bailey
would be visiting the Hollywood Slots facility in Bangor, Maine on Monday, November 23. Anyone wishing to
join them should contact Commissioner Babson via email as soon as possible. There will be other site visits in
the near future.
Chairman Lietz said the Interim Progress Report would be delivered to the Governor before December 25, 2009. A draft outline will be provided to the commissioners prior to the next meeting on December 1. Commissioners were asked to review the draft outline when they receive it and provide feedback to Chairman Lietz and Vice Chairman Foster (with cc’s to Phil Primack, Steve Norton, and Gail Wolek if sending via email) as soon as possible so that comments can be collected and made available in time for the December 1 meeting. Once the draft outline of the Interim Progress Report has been circulated to the commissioners, it will also be made available on the Commission’s website.

Also at the Commission’s next meeting, Chairman Lietz said he would update the group on plans for the public sessions scheduled for January, February, and March. Four commissioners will be asked to serve as a subcommittee to work with the UNH/Carsey Institute in organizing the public sessions, the goal of which is to ensure a robust public dialogue process.

Finally, Chairman Lietz asked commissioners to think about what issues/topics they need/want to explore in greater depth in the meetings ahead, possibly including:

- Does NH have extensive forms of gaming already? This conclusion has been implied in some presentations, but how is “extensive” gaming in New Hampshire really defined (for example: Lottery vs. table games vs. video lottery terminals vs. slot machines)?
- What types of jobs and wage levels are really created by expanded gaming and how does that equate to positive economic development? What data are needed to assess the types of social costs that would have an impact in NH?
- Would expanded gaming really provide substantial additional revenues to the state? If so, what kind, how much, over what length of time, and from which kinds of facilities?
- What models would be appropriate to study in NH and what impact would those models have on the local communities around them?

These are examples of some questions the commissioners may have. Chairman Lietz said he would welcome any additional concerns that commissioners would want to pursue further.

At 4:40 p.m. a motion was made, seconded, and approved to adjourn the meeting.

**NEXT MEETING, TUESDAY, December 1, 2009, 1:00 pm, NHHEAF**

Respectfully submitted: Gail Wolek, Executive Director