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before

ASSEMBLY INDEPENDENT AUTHORITIES AND COMMISSIONS COMMITTEE

on

ASSEMBLY COMMITTEE SUBSTITUTE FOR ASSEMBLY, NO. 41

(An Act concerning the hours of operation of a casino licensee and
supplementing P.L. 1977, c.110 [C.5:12-1 et seq.])

Held:

July 19, 1983

Casino Control Commission Chambers
Atlantic City, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Assemblyman Buddy Fortunato, Chairman
Assemblyman Dennis L. Riley, Vice Chairman
Assemblyman S. M. Terry LaCorte

ALSO PRESENT:

Wayne L. Bockelman, Team Supervisor
Office of Legislative Services
Aide, Assembly Independent Authorities
and Commissions Committee

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ASSEMBLY COMMITTEE SUBSTITUTE FOR
ASSEMBLY, No. 41
STATE OF NEW JERSEY

ADOPTED JUNE 28, 1982

By Assemblyman MATTHEWS

AN ACT concerning the hours of operation of a casino licensee and
supplementing P. L. 1977, c. 110 (C. 5:12-1 et seq.)

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. Notwithstanding the provisions of subsections a. and b. of
2 section 97 of P. L. 1977, c. 110 (C. 5:12-97 a. and b.), any casino
3 licensed under the "Casino Control Act," P. L. 1977, c. 110 (C.
4 5:12-1 et seq.) may operate between the hours of 6:00 a.m. and
5 10:00 a.m. on Saturdays and Sundays and between the hours of
6 4:00 a.m. and 10:00 a.m. on Mondays for a period of 15 months
7 following the effective date of this act, unless extended by law
8 during the final three months of this period. If a casino licensee
9 proposes to change its scheduled hours in effect on the effective
10 date of this act to include operation during any of the hours
11 authorized under this act, the change may not be effected until
12 the licensee files a notice with the commission. This filing must
13 be five days prior to the effective date of the proposed change.
14 Any further change in scheduled hours during the period specified
15 by this act shall be made in compliance with the procedure specified
16 above.

1 2. This act shall take effect immediately.

ASSEMBLY INDEPENDENT AUTHORITIES AND COMMISSIONS COMMITTEE

STATEMENT TO

A-41 Acs

DATED: June 28, 1982

The committee substitute for A-41 provides for 24-hour casino gaming on Saturdays, Sundays, and Mondays for a period of 15 months following the enactment of this bill. Thus casino operations could run continuously from 10:00 a.m. on Friday to 4:00 a.m. the following Tuesday during this period.

The intent of the bill is to enable the regulatory agencies and the Legislature to acquire data on the impact of 24-hour gaming in order for the Legislature and the Governor to make an informed decision on whether 24-hour gaming operations should be permanent. Language in the bill indicates the expectation of the Independent Authorities and Commissions Committee that a decision on the termination or extension of the experimental period or the permanent establishment of 24-hour gaming would occur during the final three-month period of the experiment.

The bill also reduces, for the period of the experiment, the 30-day filing notice to the Casino Control Commission of a casino licensee's change in scheduled hours to a 5-day notice.

Committee Action

As introduced, A-41 provided for the permanent establishment of 24-hour casino gaming every day of the week. The committee adopted a committee substitute at the request of the sponsor of A-41, Assemblyman Michael Matthews, to provide for a 15-month experimental period of 24-hour gaming on Saturdays, Sundays, and Mondays.

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ASSEMBLYMAN BUDDY FORTUNATO (Chairman): May we start now? Commissioner Jacobson, in the absence of Mayor Matthews, could we ask you to lead off the witnesses?

COMMISSIONER JACOBSON: I would be delighted. What would you like me to do, stand or sit?

ASSEMBLYMAN FORTUNATO: Whatever is comfortable for you, Commissioner.

If I may preface Commissioner Jacobson's testimony, I would like to thank you for appearing here this morning, and indicate that the hearing will deal solely with twenty-four hour gaming. It will review the bill and issue currently before the Legislature, and will take testimony to learn about the issue, for the purpose of resolving the problem. I invite anyone here today to testify. If you have not registered with Mr. Bockelman, please do so. (no response) I take it everyone has registered then.

Commissioner, it is good to see you.

COMMISSIONER JOEL R. JACOBSON: Thank you, Mr. Chairman. Assemblyman Fortunato, Assemblyman LaCorte, my name is Joel Jacobson, and I am a member of the Casino Control Commission. In the audience today is Commissioner Kenneth Burdge, who as you know is one of my colleagues on the Commission. On behalf of Commissioner Burdge and, in fact, on behalf of all five of us, I would like to express our delight at the opportunity to welcome this Committee to our Atlantic City office. We are grateful for this opportunity to discuss the Commission's concerns and attitudes towards twenty-four hour gambling. Mr. Chairman, I will be presenting two statements. The first will represent the opinions of Commissioners Read, Burdge, Thomas and myself, and the second statement will represent the separate opinion of Commissioner Zeitz.

As you obviously know, our Commission does not have the authority to change the hours of operation for the casinos in Atlantic City. If such a change is to be made, it must be approved by the Legislature, as you well know, and, of course, must be signed by the Governor.

Our appearance here today is in response to an invitation from your Committee, and is not at our initiative. I want to emphasize

that point because the Commission is not launching, nor is it sponsoring any specific recommendations for twenty-four hour gaming. Nonetheless, I repeat that we are delighted to be here to present to your Committee our analysis of this issue, and to alert you to some of the problems which surround the implementation of any proposal to change casino operations to around the clock, twenty-four hour operations.

Some of our concerns are technical in nature; others involve both social and economic policy issues which surround the entire gambit of casino gambling. For a start, let me express an opinion that the change to twenty-four hour gambling, in any form, in Atlantic City will not be merely an expansion of the existing situation. It will be a fundamental change to the social policy which New Jersey has established. All of us are quite aware of the large number of promises that were made to the citizens of New Jersey and the residents of Atlantic City before casino gambling was introduced. There was the original promise that Atlantic City would be a "family resort" area, not just a casino town. The policy statement of the Casino Control Act describes the attempt to "assure that the hospitality industry in New Jersey and in Atlantic City is preserved, and that casino rooms are always offered and maintained as an integral element of such hospitality facilities, rather than as the industry unto themselves."

It is possible, and many of us believe, that a change to twenty-four gambling will alter this image. The casino gambling experience in this State was intended, as the statute heralds, to be used as a "unique tool of urban redevelopment." Many citizens believe, and we on the Commission also believe, that New Jersey has an obligation to fulfill this commitment before it changes the policy of casino operations. While your Committee will obviously reach its own independent conclusions on these questions, it is the unanimous opinion of all five Commissioners that twenty-four hour gaming is not a top item on any list of our priorities.

Public attention has recently been focused on the problems of compulsive gamblers. This problem is real, but the solutions are not yet clear. A change to twenty-four hour casino operations may compound the problems of those who cannot walk away from the gaming tables by

themselves. New Jersey legalized casino gambling and, therefore, has an obligation to consider the impact of this possible change on these individuals.

The next very basic issue which must be considered, involves the casino industry itself. Does the industry in Atlantic City want twenty-four hour gambling? The casino industry itself has established as its top priority the amendment of the reinvestment apparatus, and as its second priority, its own omnibus bill. The omnibus bill does not contain any proposal to initiate twenty-four hour gaming. The casino industry, as we have learned here, has never really been very bashful in asking for implementation of its programs. If casino executives consider twenty-four hour gaming vital to the industry, they have been strangely and uncharacteristically silent for some time now.

The Commission would advise the members of this Committee to require the industry to document their need and desire for any change. The industry should also address the implementation concerns we have raised. Proponents of twenty-four hour gambling have used arguments about traffic problems, crime rates, promises of increased employment, and increased tax revenues as reasons to support this change. The Commission would advise you to ask both the casino industry and local officials to address several important questions. Will the anticipated increase in revenue justify an extension of gaming hours, or will the casinos merely compete for existing revenue over a longer time period? Will the increased operating expenses offset any increased revenues? The casino industry should be asked whether they will hire additional employees to cover longer hours, or if they will increase the working hours of the existing staff. If the current bill, A-41, were to be passed, which authorizes twenty-four hour gambling on only three days per week for an experimental period, if this were the case, it would be our guess that the Atlantic City casinos would not attempt to hire a significant number of additional staff in order to meet the staffing needs of these hours. Instead, given the fact that around the clock gambling would be limited to three days per week, the casinos would probably extend the working hours of those presently employed, and only hire additional personnel who would be absolutely necessary. This causes a bit of a problem. If they are going to provide more

employment for more people, they obviously must train those people. If they are going to use their present personnel for longer hours, we run the risk of vulnerability to fatigue and stress, which could adversely affect the overall security.

Local officials and industry representatives should be asked how twenty-four hour operation will affect traffic schedules and crime rates. Will the casinos run in new bus loads of gamblers at three or four in the morning? Will around the clock gambling have a positive impact on street crime? You need facts and hard answers to these questions before an intelligent and definitive recommendation can be made.

If the Legislature is going to consider any sort of a "test period" of twenty-four hour gambling, it must decide what is being tested. Are we testing peak periods on weekends or off-peak periods on weekdays, the summer season or the winter season? It would be helpful for everyone to know how the casinos will demonstrate the results of the "test," as well as who would collect the information and who would perform any evaluation of the data.

Now for some of the technical questions. Many systems utilized by the casinos, including their internal and accounting control systems, depend, to various degrees, on computers for the recording and analysis of data being generated in the casino operation. I know nothing about computers; however, it is the opinion of the computer experts on our Commission staff, that many of these computers may be programed to accept only data from two shifts of casino activity, and may not be capable of accepting data generated during a third shift of casino operation. If this is true, significant reprograming to accommodate a third shift of data may be required if there is twenty-four hour gambling.

One way for the present systems to accommodate the increased data from twenty-four hour gambling, is for each casino to run only two shifts of twelve hours each. However, a telephone survey of the nine casinos a year ago provided us with some interesting information. It disclosed that all nine casinos contemplated a three-shift operation should the change to twenty-four hours be approved.

The telephone survey revealed that each casino then had a tentative proposal regarding hours of operation if twenty-four hour gambling was implemented. Although each casino planned a three-shift operation, the hours varied. Without uniform shifts, comparisons among casinos become more difficult, since both shift and day calculations would be for different hours. Comparability is essential for analytical comparisons performed for control purposes. Moreover, for tax purposes, each casino would have its gaming day end at a different hour. At the present time, we do not know what the effects would be of having each casino end its day for revenue purposes at a different hour.

If each casino operates for three shifts, additional drop boxes will have to be obtained in order to collect the revenue at the tables for the additional shift. Although some may have a sufficient number of drop boxes at this time to accommodate three shifts, our belief is that most casinos do not. Even for those having a sufficient number of boxes, each box will have to be appropriately labeled with shift and table number before implementation of twenty-four hour gambling.

Our regulations also require that all drop boxes not attached to a gaming table be stored in the count room in an enclosed storage cabinet or trolley. At the present time, most casinos are not equipped to comply with this requirement for three shifts of boxes.

Other factors should be considered. Many of the internal procedures and administrative and accounting controls which are included in Section 99 of the Casino Control Act may have to be addressed and amended. These procedures must be submitted to the Commission at least ninety days before they can be implemented, unless otherwise directed by the Commission. Some of them are:

1. Soft Count: The times of the soft count may need revising, depending on the shifts adopted. There is also a possibility that an additional soft count may need to be conducted which will impact on staffing needs;

2. Impressments: At the present time, the impressment of slot booths occurs after the casino has been closed and the slot booths have been reconciled. With twenty-four gaming, obviously, some

modifications to this procedure will be necessary in order to transfer coin to and cash from the booths while they are open to service customers;

3. Drop Bucket Pick-up: Currently, the drop buckets containing the coin from the slot machines are picked up at approximately six a.m. after the casino has been closed. Around the clock gambling will require the casinos to address how these buckets will be picked up with players at the machines, and how security will be maintained;

4. Forms: At this time, we are not certain what the impact of twenty-four hour gambling would be on the forms used to implement the internal and accounting control system. Each of these forms will have to be reviewed to determine what changes, if any, are needed. This may especially apply to those forms that are computer generated; and,

5. Slot Machine and Table Movements: Currently, slot machine and table game movements, together with major changes to the casino floor, as well as maintenance and cleaning, are performed during non-gaming hours. New procedures for all these movements will have to be addressed, in order to assure adequate control and security.

Now, these are some of the technical changes that require attention. I would like to emphasize, Mr. Chairman, that none of these areas pose any problems that could not be accommodated with the change in hours. All we are saying, however, is that it requires discussing each area, and identifying any changes or problems.

Finally, gentlemen, if after all of the issues have been addressed, and all of the questions have been answered, the Legislature deems it to be in the best interest of the citizens of New Jersey to expand the casino hours of operation, the Casino Control Commission would advise you that the Commission would not object to the recommendation made by Attorney General Kimmelman, specifically, as a starter, that twenty-four hour casino operation be permitted on weekends only for a short period of time. In order to guarantee that all necessary controls are in place, however, it may be best to delay implementation of anything until the summer months of next year. This will allow effective monitoring systems to be put into place for accurate evaluation of the results of the experiment.

It is obvious that the successful completion of such an experiment would be just the first step. If twenty-four hour gaming proves to be beneficial during peak hours of operation, such as weekends during the summer, the next step would be to determine its success during off-peak hours in both summer and winter.

We urge your Committee to move cautiously before changing the present system of operation. If any change is to be instituted, it should be justified on the basis of experience and data produced by a carefully controlled experiment. Let us not repent at leisure.

Mr. Chairman, that is the statement of the four Commissioners, Read, Burdge, Thomas and myself. I have now been asked to read into the record the separate opinion of Commissioner Carl Zeitz.

Chairman Fortunato and members of the Committee, with your indulgence I have asked Commissioner Jacobson to place this brief statement in the record of your hearing today concerning the advisability of expanding casino gambling operations in Atlantic City to twenty-four hours a day.

I urge you in the strongest terms to withhold support from such a proposal. If, however, you act favorably on legislation to expand casino gambling operations to twenty-four hours a day, whether now or in the near future, I join my colleagues on the Commission in urging a limited, carefully controlled experiment to begin only when the full range of regulatory considerations, particularly those concerning accounting and internal controls, are in place.

Atlantic City and New Jersey do not need around the clock casinos. The visitors who come to this resort and take rooms in the first class hotels that stand above the casinos, the local area residents, and those visiting on a day basis, ought to go home at some point and go to sleep. It is, if you like, no more complicated than that. There ought to be a time of day when the gambler has to leave the casino, get some fresh air, a meal, a cup of coffee, some sleep and, above all, the chance to think things over before signing another marker.

No one needs to play craps at seven in the morning. Anyone who does has a problem.

Those are general observations. Let me now offer some concise specific policy objections to twenty-four hour a day casino gambling.

New Jersey, at least by certain definitions, is now the "gamblingest" State in the nation. This year between casino gambling gross revenues, New Jersey State Lottery sales, parimutuel wagering, and yes, even church bingo, total public spending on legal gambling in this State will easily exceed \$2.5 billion and approach \$3 billion. Last year in Nevada, total revenue from all casino gambling operations was \$2.7 billion. In Clark County, which is Las Vegas, where gambling operates twenty-four hours a day, total casino revenue was \$1.7 billion. In the same period in Atlantic City with time-limited casino operations, total casino gambling revenue was \$1.5 billion, while in the first six months of 1983, the total reached \$804 million. I think I can safely predict that with a gambling day in this City's casinos only three quarters of that in Las Vegas, the total casino revenue produced here this year will exceed that of Clark County, Nevada.

The State of Nevada has a budget somewhat over \$400 million a year. It derives about half of that money from gambling fees and taxes. The State of New Jersey now has a budget of \$6.8 billion, of which more than \$450 million is contributed by gambling, whether in the form of fees paid into the Casino Control Fund, the casino revenue tax, or the State's share of lottery receipts. That, as you can see, is still a small percentage of total State spending compared to Nevada's, but is more than twice the actual contribution in dollars.

We get that much money from gambling because we have legalized so much of it. Twenty-four hour casino operations should not be viewed merely as a minor extension of an already legal form of gambling in New Jersey. It should be seen for what it is, another extension of legal gambling on a magnitude only slightly less than the decision made in the first instance to let casinos into our State.

Ironically, though, the argument that twenty-four hour casino days would generate more employment, gambling revenue and taxes is a dubious one at best. I am not sure the casino hotel industry is asking for twenty-four hour operations now. If it is, then ask it to justify the request. Ask the casinos to prove conclusively that more jobs, money and taxes will be produced before you say yes.

Finally, and perhaps most importantly, casino gambling is identified in the Casino Control Act as, "A unique tool of urban redevelopment." The legalization of gambling under the watchful eye of close government regulation is but one of the policies of that statute. It is a policy subordinate to other stated goals in the Act, notably that of restoring Atlantic City as a mecca for conventions and tourism, and of turning this City back into a fine place to live and do business. Casino hotels have contributed considerably to bringing back the resort business that had fled Atlantic City. There will be more hotels soon, so there will be more resort and tourist business.

But, that is all that has happened. We wait still for urban redevelopment, for solutions to the transportation and Convention Hall issues and, most of all, for the creation of decent, affordable housing. Until we see those things happen, we cannot justify more gambling.

That, Mr. Chairman, concludes the separate opinion of Commissioner Zeitz.

ASSEMBLYMAN FORTUNATO: Commissioner, I find it interesting that twenty-four hour gambling is not a priority on your list, and that the reinvestment bill is a priority. I wish it was a priority for other people involved in State government. I did find something interesting. You indicated at the beginning of your statement that in the original Act, hospitality was supposed to be a priority of the respective hotels, hospitality to the tourists, and yet when tourists go to the inn, the inn seems to be closed many times, for the average tourist. However, for preferred customers, the inn is open. That is something I think we should take a look at. Assemblyman LaCorte, do you have any questions of Commissioner Jacobson?

ASSEMBLYMAN LaCORTE: No.

ASSEMBLYMAN FORTUNATO: No comment? Assemblyman Riley?

ASSEMBLYMAN RILEY: Just briefly. First of all at the start, I would like to thank Chairman Fortunato for having these hearings. I have been asking for them for over a year and, obviously, we have been delayed in what we all consider to be a priority goal, as you do, Commissioner. This has obviously been delayed greatly, so now hopefully we can go on to some other important items such as this.

Does the Commission have any information in regard to shift problems, problems in regard to the workers themselves down here in Atlantic City? I have received numerous complaints from my constituents who happen to be a lot of the people who work here in the City. Can you relay some of the information you have received, from the Commission's standpoint?

COMMISSIONER JACOBSON: Unfortunately, Assemblyman Riley, I addressed that before you arrived.

ASSEMBLYMAN RILEY: Oh, I'm sorry.

COMMISSIONER JACOBSON: I am just saying that it was in my prepared statement.

ASSEMBLYMAN RILEY: Okay, if it is in your prepared statement I will take a look at it later.

COMMISSIONER JACOBSON: To be very brief, if twenty-four hour gambling is to be instituted, it would impact heavily on the shifts. There are computer problems. Computer experts believe it would be very difficult to reprogram the standard computers, unless they maintain two twelve-hour shifts. A telephone survey released in the nine casinos last year indicated they all planned to have three eight-hour shifts. So, you would have some computer-related problems.

Also, you would obviously have problems with regard to the employment of personnel. The point that I stressed, Assemblyman, was that if you are going to have a controlled experiment of only three days a week, the possibility is that the casinos would not hire extensive new ranks of personnel. They would probably use existing personnel and ask them to work longer hours. The difficulty here is, if you do that, you impose new stresses and vulnerability to fatigue on these people, all of which may impact adversely on security. If you have to hire new people, you, obviously, have to train them. So, either way you go, there are problems associated with it.

ASSEMBLYMAN RILEY: Well first, regarding the computer argument, who told you there would be a problem regarding changes? I am fairly familiar with computers and computer programming, and it doesn't take any more than maybe an educated orangutan to change a computer operation. In a matter of weeks, they could have the whole thing changed, so I don't think that is a problem.

As far as present personnel are concerned, isn't there a problem today, Commissioner, with personnel? Aren't many of them already working twelve hours a day?

COMMISSIONER JACOBSON: Well, let me talk about the first question first. I anticipated your comment, and I clearly delineated the caveat by saying, "I know nothing about computers, but we have been informed by our computer experts that that is so." They received that information from some of the computer people in the casinos. So, it is not just sheerly speculative.

ASSEMBLYMAN RILEY: So, the industry is telling us today problems they are going to have with the computers?

COMMISSIONER JACOBSON: I knew you were going to ask about that.

ASSEMBLYMAN RILEY: Believe me, I was.

COMMISSIONER JACOBSON: Of course, there are personnel problems. At this point I am going to have to tell you that what I am about to say may be a melody which could be sung by my colleagues on the Commission. The lyrics may be different, so don't put them down for anything I have to say.

Of course, there are problems, and there are varying degrees of responses from the casinos as to how they wrestle with the problems. Some of us on the Commission believe that we should take a very aggressive role in regulating all aspects of the casino industry. We are continually hearing, I must state in all candor, that the heavy hand of Governor Byrne interfered with the free enterprise system. These are judgment calls that must be made based upon one's knowledge, experience and philosophy. But, to answer your question, sure there are problems.

ASSEMBLYMAN RILEY: But, there are people on twelve-hour shifts today?

COMMISSIONER JACOBSON: I cannot tell you that I know of any, but I would not be surprised if there were.

ASSEMBLYMAN RILEY: Thank you.

ASSEMBLYMAN FORTUNATO: Commissioner, thank you, and I thank the Commission, also, for allowing us to have the hearing here today. We appreciate the courtesy.

COMMISSIONER JACOBSON: Just in conclusion, Mr. Chairman, obviously the Legislature will move in its proper wisdom. We are available to help you with any technical questions that arise after you have made a determination.

ASSEMBLYMAN FORTUNATO: Believe me, we will be in touch with you.

COMMISSIONER JACOBSON: Thank you very much.

ASSEMBLYMAN FORTUNATO: Mayor Michael Matthews, Assemblyman Matthews.

MAYOR MICHAEL MATTHEWS: One thing, I would just like to comment on the previous speaker's remarks. Assemblyman Riley, I agree with you. I have been in the computer field for several years, and I don't care whether you are an expert or not, it's no big deal to reprogram computers.

Also, I heard some things about a commitment to the State of New Jersey that Atlantic City would stay a family town. This always makes me laugh, because who said eighteen hours or twenty hours is the magical number. I mean, why don't we say eight or ten hours. This is an after-the-fact kind of a slogan, as opposed to what everyone really promised if the people would vote for casino gaming.

I think it should be twenty-four hours; I have been advocating this for almost as many years as I have been in the Legislature. I feel, in regard to the crime problem, that it would certainly help, because right now, at the standard casino at four or five o'clock in the morning, or six o'clock in the morning, if you are observant you can see who is taking out large sums of money, they can be followed and, during the exodus between the hours of four and six, these people can be accosted somewhere along the line very quietly, and their money taken from them.

As far as bus trips coming in here at two or three o'clock in the morning, I do not think so. As far as compulsive gambling is concerned, if people have the money, they are just going to sleep or stay out in the lounges, because they are not closed when the casinos close. They are open; you can go into a lounge any time a casino closes and hang around the bar to wait for the tables to open.

It has been stated that it will not give more employment, which I think it will, because the casino industry last year, when they opened up the ninth casino, thought that it would draw from the other eight. That turned out not to be the fact. When we talked to the casino industry last year about twenty-four hour gambling, they felt they would like to have a provision in the law so they would not have to have as many people on the graveyard shift, so to speak. This may also turn out to be a fallacy, because the crowds are getting bigger and bigger, as evidenced by the ground-breaking for the Hilton, the Trump project, the Dunes project, which is starting up again, and the Penthouse project, which is starting up again. So, obviously, there are people here to support it, and I think they would support twenty-four hours.

Air pollution is another factor. We do have a higher pollution rate around the hours of four to six, depending on whether it is a weekend or a weekday. The traffic situation has to improve; that is just common sense. You are not going to create more of a traffic problem, you are going to have a better flow of traffic of people coming in.

I think the experiment should be done. Of course, I advocate the whole thing, but I am not against, certainly at any time, the experiment being done for six months, you know, on weekends, or anything else. But, regarding three shifts, as Assemblyman Riley asked the previous speaker -- we have a lot of people who are working ten hours a day, or twelve hours a day. There is fatigue involved. At first, they were interested in money, but money is secondary now to people's well-being. They are getting tired of working ten-hour shifts. If you talk to a casino employee, he will tell you this. They tell me this quite often because I come in contact with them. There have been several accidents where people, rightly or wrongly, have contributed to them because of fatigue from working late at night and being overworked -- automobile accidents involving casino employees. The casino industry could probably tell you that better than I can.

So, I think that the twenty-four hours, with respect to Atlantic City being a family town -- that is a City responsibility. We will create a family town. A case in point is the Beach Boys, who we

had a few weeks ago. That certainly generated a family town. The people came in; they were not gamblers. There are other endeavors done by the City, in conjunction with the casinos, and in conjunction with other private enterprises. We are going to have a bicycle race; we are going to have a professional surfing contest; we had an around the Island swim. But, this is the City's responsibility. The casinos were to provide us with a means to save the town. But, whether twenty hours or twenty-fours will make a difference in Atlantic City being a family town or not a family town, I think, is the most ridiculous argument I have ever heard in my life. The City has a responsibility and we are taking care of our responsibility. So, Atlantic City will be not only a casino city, but it will be a family city, and we will take care of that.

With that, I am open for any questions.

ASSEMBLYMAN FORTUNATO: Thank you, Mike. Assemblyman LaCorte?

ASSEMBLYMAN LaCORTE: No questions.

ASSEMBLYMAN FORTUNATO: Assemblyman Riley?

ASSEMBLYMAN RILEY: I have several questions, Mike. Can you describe what it is like here at four o'clock in the morning on Monday through Thursday, and Saturday morning at six o'clock, as far as the traffic situation is concerned?

MAYOR MATTHEWS: I can't tell you from personal experience, because I am not out that late. (laughter) The problem is, when we assign our three shifts of police and traffic control officers, naturally we have the majority of them out there during the day, so it does give us problems at night, especially at four and six o'clock, because in the summertime, you have everyone rushing out. I don't know what time they close; they probably start about ten or fifteen minutes before four o'clock or six o'clock. But, there is a rush for people to get their cars -- a long line of people waiting to get their cars out of casinos or valet parking. There is a large rush to the highways, and this creates a problem for us for an hour or two. Then, of course, depending on daylight saving time, there is a complexity though, because if it is daylight hours, certainly during the summertime, it is not too bad. But, in the wintertime at six o'clock, it is just like in

the dead of night on the weekend. So, now you have different kinds of traffic problems during the night hours. Then you get involved because some people are starting to go to work at four or five o'clock in the morning when people are trying to leave town, and it just an unwieldy situation to have this kind of traffic, and each summer it gets worse. I have heard that the longer the casinos are open, the more people will be coming in. This July 4, we had a tremendous amount of people, but there were a lot of people in town leaving and coming, because you have more here than just the casinos.

So, you know between four and six o'clock there will be a lot of people leaving town.

ASSEMBLYMAN RILEY: In fact, during the July 4 weekend, there was a realistic anticipation of a possible real first gridlock in this country.

MAYOR MATTHEWS: Yes, and it took us six weeks to plan for one day, but you can't do this every day.

ASSEMBLYMAN RILEY: And, there are approximately nine new casinos planned, is that correct?

MAYOR MATTHEWS: I really don't know. I know there are four under construction. Resorts is talking about a second one; Golden Nugget is talking about a second one; and, Caesar's is talking about a second one. So, that is three right there, plus the four, which would be seven, so nine is not beyond the realm of possibility.

ASSEMBLYMAN RILEY: So, we can anticipate many more people coming into the City?

MAYOR MATTHEWS: Yes.

ASSEMBLYMAN RILEY: Mike, you are familiar with the committee substitute, obviously, in your bill?

MAYOR MATTHEWS: Yes.

ASSEMBLYMAN RILEY: If there were further amendments to it to indicate, first, that for any new positions created, the licensee must first offer the new positions to those persons laid off by that licensee during the previous year and, second, no employee can be required by a licensee to work for more than eleven hours per day, what would be your reaction to these types of amendments to the substitute for your bill?

MAYOR MATTHEWS: I'm sure when you say no employee to work more than eleven hours per day there is going to be a differential between management, you know. That one you would have a problem with. Concerning the first one about layoffs, I think that if someone was laid off purely because it was a budget reaction, I would agree with that. But, if the layoff was not necessarily due to the budget but was because a person was incompetent or something like that, then we would, you know, I don't want to get into a whole--

ASSEMBLYMAN RILEY: I'm talking about a qualified person naturally.

MAYOR MATTHEWS: Right. If a person is laid off purely for economic reasons, I would agree with that.

ASSEMBLYMAN RILEY: Thank you.

ASSEMBLYMAN FORTUNATO: Assemblyman LaCorte?

ASSEMBLYMAN LaCORTE: Mayor, what impact would there be on public safety for Atlantic City and the Department of Public Works were you to have constant twenty-four hour operation? I mean, in the original bill you wanted it every day, but even on an experimental basis, wouldn't that have an impact on your Public Safety Department, the fact that you would have casinos going to twenty-four hours? You would not have any respite, the six hours that exist right now, or the four hours that exist on the weekends.

MAYOR MATTHEWS: Well, it would give us less work to do, as far as public safety goes, because there are twenty-four hours, and we know they are contained. Whatever you want to believe, besides the traffic problems, we have to be very observant for potential crime, because there are a lot of people leaving, and there is a great risk of someone being mugged. The policemen do not know who are carrying large sums of money, but the people who are going to go after these people certainly do. Therefore, we have to try to observe for that. So, on a twenty-four hour basis, that is the public safety aspect.

As far as our Health Department is concerned, for the most part they work one shift, Mondays through Fridays, except for our inspectors, who work on a twenty-four hour basis. So, we have to have three shifts seven days a week for our inspectors, who check the vendors, people selling things on the beach, cars parked illegally,

etc., so we have to have that kind of a situation anyhow. I do not see any impact as far as our personnel goes at all.

ASSEMBLYMAN LaCORTE: Do you think you would require additional personnel?

MAYOR MATTHEWS: No. In fact, I think less, not that we would require less, but I think it would make it a lot easier for us, rather than-- Right now we can't (inaudible) for one or two hours. During the middle of the night we have to have an entire shift. When we bring people in with overtime, for example, we have a union contract and it costs a minimum of \$5.00 to bring someone in. So, we had to put people on a seven day a week, twenty-four hour basis, depending on what it is. But, in our Health Department, the main people work five days a week, Mondays through Fridays, to check on the nature of problems of, you know, whether there are exterminators in there, whether there are cracks in the wall, whether they put the caulking here, do they have a rug there, and what kind of sinks they have -- that is all done during the week and checked out. But, as far as our other inspectors go for other things where the violations are not necessarily police violations, we have a full complement right now, so it is not going to cause us a budgetary problem at all. We have to be very sensitive to that.

ASSEMBLYMAN LaCORTE: Thank you.

ASSEMBLYMAN FORTUNATO: Mayor, if I may, one question. You indicated, I believe in response to Assemblyman Riley's question concerning additional casinos, that you feel twenty-four hour gaming might help the flow of traffic. What about the current traffic routes and the current transportation system networks that exist now, don't they have to be upgraded?

MAYOR MATTHEWS: Well, right now, the Governor has just signed an instrument regarding our bus problem with the Atlantic County Transportation Authority. That is one thing. We are constantly working on a better traffic system. We do not know what is going to happen with the rail line. We are looking into some people-mover systems, and we are trying to work in conjunction with the City, county and State to get traffic moving. Recently, the Zoning Board passed on a 4,000 car garage on Missouri Avenue. There was another garage

proposal performed for the Planning Board, to try to get some of the cars off the street and off the main arteries, where they could be parked quickly, instead of having a flat-surface parking lot.

But, traffic is a continual problem we have, because this town was built in the 1900's, and it was never meant to accommodate gaming, or the large impact of the people we have now. That is why we pushed for the one bill for the Atlantic County Transportation Authority to have the buses, because they could have better control of the buses as they come in, and could provide an orderly flow of the buses, because since 1972, no municipality has had that kind of a situation. Their whole plan is to have radios, so that when buses come in they will be able to say, "All right, you stay in this holding lot, and we will dispatch you by way of this route or that route to your destination," whether it be Resorts, Trump, Golden Nugget, or Playboy. This way we will have an orderly flow of the buses.

We have been working on transportation. For example, when the Beach Boys were here, we closed down certain streets when we felt they were saturated. We are constantly working on transportation. We do not have all the answers yet; a lot of things cost money. You know, having the solutions and having the money are two different things. But, I do not think that the advent of having more casinos coming in -- you know, we have been able to accommodate the traffic up to now, and we do not want to discourage any casinos from coming in, because, certainly, it helps out the State. Number one and number two, every time a casino opens, the rateable helps the other taxpayers of Atlantic City, which allows us a way to keep the tax rate down and gives us more money to make improvements in our town, so we can accommodate more people.

Initially, gaming cost the City money, there is no doubt about that, with more police, improving the infrastructure and a lot of other things. Now, we have caught up. Now, every time a casino is put on board, it not only helps the taxpayers, but it helps to put more money into the good of the town with bonding, or whatever. I don't know whether that answered your question.

ASSEMBLYMAN FORTUNATO: Okay. Are there any other comments from the Committee? (no response) That's it, Mayor, thank you. Director Thomas O'Brien from the Division of Gaming Enforcement.

T H O M A S O' B R I E N: Thank you, Mr. Chairman. The Division of Gaming Enforcement welcomes the opportunity to present our views on the issue of twenty-four hour gaming. Our comments here today will focus on some of the issues which we believe you should consider in evaluating twenty-four hour gaming. The Division has studied this issue and its impact on overall casino operations and regulatory resources should the Legislature determine to proceed either on an experimental or permanent basis. On that score, allow me to reiterate what we said when this matter was first raised over a year ago. Any legislative movement toward twenty-four hour gaming must be cautiously and scrutinizingly evaluated, particularly in light of the concerns voiced during the formulation of and debate on the Casino Control Act, that Atlantic City not become just another "Las Vegas type" operation.

The passage of five years does not, in and of itself, justify a shift in that position, although we are better situated now, because of our casino gaming experience, to assess the impact and consequences, and to implement the necessary controls in the event of legislative approval. I would strongly urge, however, that if "around the clock" gambling is to be considered at all, it only be considered on a limited experimental basis restricted to weekends and holidays during the trial period. The Division would also suggest that should this Committee adopt twenty-four hour gaming, it consider limiting the experiment to slot play only as a first step.

Before any consideration is given, however, we want the Committee to be fully aware of the concerns raised by the Division's preliminary study of the matter.

Presently, N.J.S.A. 5:12-97 limits the hours of operation for a casino hotel to eighteen hours a day during the week and twenty hours during weekends and holidays. The legislative concern in limiting hours reflected the belief that there should be a break in the gaming day to afford heavy and compulsive gamblers an opportunity to reflect upon their gaming activity. Many jurisdictions throughout the world, including the Caribbean and Europe, impose downtime when play must cease. It has been theorized that without downtime, the State might encourage the worst aspects of casino gaming and encourage player gambling. The limiting of gaming hours was part of the idea of the

Legislature that New Jersey gaming should be part of a larger entertainment package which would serve to rejuvenate Atlantic City as a family and convention resort. For the most part, those concerns are as valid today as they were in 1977 when the Casino Control Act was passed.

In making our statements here today, three basic assumptions form the premise for our recommendations. First, in authorizing a limited twenty-four hour gaming experiment, the Legislature and the Commission should not relax, weaken, or waive any controls associated with gaming activity. All of the rules and regulations which presently apply to casino operations should apply with equal effect to any twenty-four hour gaming plan.

Second, during the course of any proposed experiment, systematic data should be gathered with respect to the long-term impact on casino operations, revenue, traffic accidents, staffing, and patron use. This information will be critical in assessing whether or not twenty-four hour gaming should be made a permanent part of the Casino Control Act.

Third, present procedures and policies should be maintained to the maximum extent possible.

From our perspective, the principal question in evaluating twenty-four hour gaming is what effect it would have on casino operations. As you know, many aspects of a casino's operations presently operate around the clock. For example, the security and surveillance departments presently operate on a twenty-four hour basis, as does the casino cage. Therefore, the components for a twenty-four hour operation already exist and, to some degree, are already in place. Some have argued in the past that the commencement of twenty-four hour gaming activity would lead to a significant increase in casino staffing. The Division has not seen any evidence to support this claim. In fact, our review indicates just the opposite. That is, casino staffing would only be marginally increased with the advent of twenty-four hour gaming. There may be a need for some additional security guards, slot personnel and some limited table game personnel. Of course, the extent to which additional personnel are needed would depend upon patron demand during present downtime hours.

During the course of any twenty-four hour gaming experiment, a variety of operational issues would have to be addressed, including, but not limited to, the lengths of the gaming shifts, procedures relating to the collection of drop boxes and the counting of casino assets, casino forms and the modification of some equipment. Additionally, the computer systems utilized by the casinos would have to be modified to reflect the longer gaming day. The procedures relating to the collection of drop buckets from slot machines may have to be modified, and slot booth impressment procedures may need revision.

The second area of concern relating to twenty-four hour gaming would be the impact it would have upon the agencies that regulate the casino gaming industry. The Division, for example, would need to consider the establishment of a third shift of agents to monitor casino crime. Expanded gaming operations would add further strains to the enforcement functions of the Division. Additional staff would have to be secured and trained to effectively monitor casino operations, respond to alarms, and conduct in-depth investigations relating to cheating and swindling. The continuous presence of the Division at the casino is critical to monitor overall operations, and is important in maintaining public confidence in the industry. It can be expected that twenty-four hour gaming would produce increased incidents relating to cheating and swindling, increased employee complaints and suspensions related thereto, and an overall increase in the number of investigations. Each of these activities would require the expenditure of time and resources on the part of the Division.

In stating our concerns, I am confident that all of them can be handled in a satisfactory fashion. I think the real question here is one of policy, and it should be primarily evaluated on that basis. I think the issues of an increased number of jobs and diminished traffic problems are marginal. However, the problem of compulsive gambling is real, and something which is of great concern to the regulatory agencies. The present shutdown of casino operations permits gamblers an opportunity to leave the casino for at least a limited period of time. Gamblers are forced to take a break in their action,

and the frenzy of the craps and baccarat tables is forced to come to a close for a limited period of time. The pause in the gaming day provides an opportunity for the public to reflect upon their gaming activity. These are all matters which must weigh heavily in the decision as to whether or not to legislate twenty-four hour casino gaming. Again, I would caution this Committee against wholesale and permanent approval of this concept. Rather, it must be approached, if at all, on a limited experimental basis to allow time for data gathering, assessment and reflection. Even then, serious consideration should be given to restricting the experiment to slot play only, at least in the beginning. I say this because slot operations are not subject to the same concerns or pressures related to compulsive gambling as are the table games. If such an experiment were to take place, it should be for a set duration of time not to exceed six months, and it should be strictly evaluated to determine its overall impact on casino operations. This type of an experiment would only minimally disrupt present casino operations and would provide valuable information relating to patron acceptability of the casino during present downtime hours. The individuals who play slot machines would not be the same type of players, i.e., credit players, who would utilize table games on a twenty-four hour basis. The serious concerns relating to compulsive gamblers and a break in the gaming day would be maintained through slot play only. That is the position of the Division at this time, Mr. Chairman, and I will be happy to respond to any questions the Committee may have.

ASSEMBLYMAN FORTUNATO: Thank you for your statement, Director O'Brien. As Chairman of this Committee, I welcome you to the position that you now hold.

DIRECTOR O'BRIEN: Thank you very much.

ASSEMBLYMAN FORTUNATO: If I may, let me assure you, and the other people who have expressed concern, that this Committee has not made up its mind either way on this situation, and we are not close to doing that. I just want to alleviate any apprehension you might have as Director of the Division of Gaming Enforcement, or the apprehension of anyone else who has expressed that same concern.

If I may, I have one question. You indicate that if a test period were to be administered, you would like to see it administered only for slot machines, yet the overhead would be the same for an establishment, and they would be receiving only approximately half of the revenues for the total overhead during the downtime. That would not appear to be a good business decision.

DIRECTOR O'BRIEN: You might consider the fact, Mr. Chairman, that the increased overhead associated with slot play would be marginal at best. There would be no dealers required, no personnel required. The security people are already there; the surveillance people are already there. The increased drop in the slot machines during that period of time would almost go right to the bottom line, so it might be a very good business decision.

ASSEMBLYMAN FORTUNATO: Have you studied that?

DIRECTOR O'BRIEN: We have studied it. We have our staff working on that.

ASSEMBLYMAN FORTUNATO: Do you have any figures you might present to the Committee on that?

DIRECTOR O'BRIEN: No, because we do not know what the patron demand would be during that period. See, that is the essence of this issue as we see it. We don't know what the usage of the casino facility will be during the present downtime period. This would allow us to get a fix on that issue, and see what kind of usage there would be of slot machines during the period. Then we could gear up -- the entity itself, the Commission and the Division could gear up, if, in fact, we determined that patron demand was such that we might even consider extending twenty-four hour gaming to table games as well. I think we would have more data at less expense, and at less risk, by doing it that way.

ASSEMBLYMAN FORTUNATO: Assemblyman Riley?

ASSEMBLYMAN RILEY: Yes, I have several questions, Director. What is the usage presently on the weekends between four and six? I suspect maybe that would give you some sort of an idea what it is going to be like, wouldn't you think?

DIRECTOR O'BRIEN: Certainly. I can't give you the numbers, Assemblyman Riley. The usage during that period of time certainly slacks off.

ASSEMBLYMAN RILEY: Can we be supplied with that information?

DIRECTOR O'BRIEN: I'm sure the industry would be--

ASSEMBLYMAN RILEY: I thought you said you did some kind of a study, so I figured you would have to look at those figures if you looked at any.

DIRECTOR O'BRIEN: Fred Gushin is the attorney in charge of our Operation Section. Perhaps he can help with this. (Director speaks to Mr. Gushin who is with him.) We can certainly provide that information.

ASSEMBLYMAN RILEY: Thank you. I have some questions with regard to your statement. You indicated that the purpose for the break in the action was because the Legislature had decided -- let me see, where was it -- "Legislative concern reflected the belief that there should be a break in the gaming day to afford heavy and compulsive gamblers, etc." My recollection is that the express purpose of that break at the time was for cleaning. What is the source of this legislative concern you are expressing?

DIRECTOR O'BRIEN: There were concerns, as I understand the history going back as far as the referendum through the passing of the Casino Control Act, that Atlantic City would become the same type of frenzied gambling establishment as has been experienced in Las Vegas, and that there was a reason, as there are in many jurisdictions that have casino gaming, for casinos to close, that we should not foster around the clock gambling activity, which I think aids the compulsive gambler.

ASSEMBLYMAN RILEY: Don't you think he is pretty well worn out by six o'clock in the morning?

DIRECTOR O'BRIEN: As a matter of fact, Assemblyman Riley, -- I am not an expert on it, I only know what I have read -- but, I think you can find medical texts that would indicate that during the late hours, or during the early morning hours, the house may have a decided edge over the gambler, because of the fatigue of the gambler, because of his poorer response, his lack of judgment, or perhaps because of the influence of alcohol, cigarettes or other things. But, there has been medical information on that subject which I have read, but I am not--

ASSEMBLYMAN RILEY: At six o'clock in the morning now, don't a lot of the people go from the tables into the lounges, and then at ten o'clock go right back in anyway.

DIRECTOR O'BRIEN: That could very well be, but I have to assume that many of the gamblers also take some time to rest.

ASSEMBLYMAN RILEY: Well, I would hope that they would sleep someplace. But, to continue, you have no real source for that information that you can recall?

DIRECTOR O'BRIEN: Not that I can pinpoint right now for you, sir. We can provide that though.

ASSEMBLYMAN RILEY: Regarding the three areas on Page 3 of your statement -- the three assumptions -- you say you are worrying about us changing the rules and regulations. Have there been any amendments or any proposals that would change procedures in any way regarding twenty-four hour gaming?

DIRECTOR O'BRIEN: No, no. We just have to make sure that if we go to twenty-four hour gaming that we don't shortcut, that we keep the same restrictions and regulations in place that we have now through that period of time--

ASSEMBLYMAN RILEY: All I am saying is that I did not know of any proposal to change any procedures in regard to twenty-four hour gambling.

DIRECTOR O'BRIEN: No, sir, there are none that I know of either, but the point is, we must maintain the same regulatory activity during that period that we have for the present hours.

ASSEMBLYMAN RILEY: Regarding security personnel, between six and ten o'clock, I presume you may have seen it, or your staff may have seen it -- they pretty well stand around during that period of time, don't they?

DIRECTOR O'BRIEN: The guards?

ASSEMBLYMAN RILEY: Yes, the guards. They are there anyway, but they are just not doing anything.

DIRECTOR O'BRIEN: Well, I think they are pretty much security guards while the casino is open, but their focus might be a little bit different during the downtime.

ASSEMBLYMAN RILEY: I was surprised to hear in your testimony that, okay, for instance, the casinos are now open, we'll say, from ten a.m. until six a.m. Do you only have two shifts now? Do you mean your people are on ten hour shifts now?

DIRECTOR O'BRIEN: We have rotating shifts. We have less people on duty during the later hours than we do earlier.

ASSEMBLYMAN RILEY: Because you said, "We need to consider the establishment of a third shift."

DIRECTOR O'BRIEN: We may have to, because adding four hours to our workday will require a third shift.

ASSEMBLYMAN RILEY: How do you only have two shifts, because they are staggered?

DIRECTOR O'BRIEN: Yes, because they are staggered.

ASSEMBLYMAN RILEY: Why can't you just stagger them for four more hours?

DIRECTOR O'BRIEN: Well, if we go to a twenty-four hour day--

ASSEMBLYMAN RILEY: It may make sense to have three regular shifts then?

DIRECTOR O'BRIEN: Yes.

ASSEMBLYMAN RILEY: You stated, "It can be expected that twenty-four hour gaming would produce increased incidents relating to cheating and swindling." What do you base that on?

DIRECTOR O'BRIEN: Just because, on an average basis, hypothetically, so many cases of cheating and swindling during a set period of time that, if you increase the period of time, presumably that--

ASSEMBLYMAN RILEY: (Interrupting) But, that has nothing to do with the time of day it is, or anything.

DIRECTOR O'BRIEN: Not the time of day; it is just that if we go to twenty-four hour gaming, we can expect an increase in the number of incidents.

ASSEMBLYMAN RILEY: Do you mean if you increase the hours, you also increase everything else?

DIRECTOR O'BRIEN: Probably. We are going to increase staff. These are additional investigations, criminal type investigations, and, presumably, prosecutions, we are going to have to handle.

ASSEMBLYMAN RILEY: As of right now, there are an awful lot of problems with regard to people coming out at four o'clock, and particularly at six o'clock, aren't there?

DIRECTOR O'BRIEN: There are a lot of problems right here in the City. I know of several people who had a problem when they came out, because every one of the local muggers seemed to know that everyone was coming out then. If you are there at four-thirty, they have a pretty good idea you are going to be there at six o'clock, and you are going to come out and get into your car, or walk to your car down that street. There aren't that many people-- If you are inclined not to be one of the pillars of society, and you see someone on a good winning streak at about four-thirty, you have a pretty good idea about what time he is going to come out of that casino, don't you, especially if you are watching him. That is what goes on.

ASSEMBLYMAN RILEY: I notice on your last page where you recommend, "Not to exceed six months," you crossed out "to nine months." Is that correct?

DIRECTOR O'BRIEN: Well, six to nine months. I would go along with the six-month program; I would not want to extend it too far. I think we have a problem -- it's not our problem -- it would be a problem of the hotels. If they hire people for a temporary period and that temporary period did not result in making it permanent, there are people who are going to be laid off and looking for jobs. I think by shortening it, you can hire people on a temporary basis and achieve the same result. I do not think we need more than six months, by the way, to test this.

ASSEMBLYMAN RILEY: If we had such a period, I think, knowing the legislative process, it would probably be ludicrous to believe that we would have the experimental situation in by January. If it were January to June, those six months, we really would not get the summer experience.

DIRECTOR O'BRIEN: You're absolutely correct and, of course, you would want the summer experience.

ASSEMBLYMAN RILEY: That's right. I have no further questions.

ASSEMBLYMAN FORTUNATO: Assemblyman LaCorte?

ASSEMBLYMAN LaCORTE: One point made by the Mayor was that he felt this would be a crime deterrent. Does Gaming Enforcement have any feeling toward that, regarding the fact of four o'clock, or would it be just spreading out the opportunity of having more crime over a period of twenty-four hours?

DIRECTOR O'BRIEN: I think the latter point is correct, Assemblyman LaCorte. It would be spreading it out. I don't think that the opening of the tables for another four hours is going to have any significant effect on that.

ASSEMBLYMAN LaCORTE: I know your agency is more involved with inside the casinos, but are there any statistics you know of that show there is a real problem at four a.m. with crime, or at six o'clock on the weekends when the casinos close?

DIRECTOR O'BRIEN: We know there are problems. For instance, prosecution activity increases the further into the morning you get. Room theft type crimes are spread out over the entire day, for that matter. I do not have data on crimes that occur outside the casinos, or outside the hotels.

ASSEMBLYMAN LaCORTE: I am puzzled by the area of your -- I know it is not your recommendation, and I understand that if the Legislature decides to move to twenty-four hours it will limit it to slots, but, it would seem to me that the issue is basically, are we going to extend or change the policy and if, in fact, we do change the policy, if it is the will of the Legislature, to do it halfway would seem to be, you know, it would seem that either you are going to keep the policy which exists right now, and limit it to six or nine or fifteen as the bill states right now, but not go and let that direction-- I don't think anything, with deference to your statement, gains anything for the industry, or gains anything for the public, because the public will perceive if we just put it to slots, that we are extending gambling to twenty-four hours, and they are not going to distinguish between gaming tables and slot machines.

DIRECTOR O'BRIEN: The only reason I suggest that idea is so we can get the data we might need, and that we should have, to consider it on a permanent basis, at what risk, and I think that is what "slot only" does. I would not advocate that on a long-term basis

necessarily, either. I certainly hope there would be some kind of a temporary trial period before twenty-four hour gaming is adopted as a matter of policy.

ASSEMBLYMAN LaCORTE: Was I correct that you do not have any statistics right now showing who are the people gambling? I think Assemblyman Riley asked for who are really gambling in the wee hours, from, say, two a.m. to four or six.

DIRECTOR O'BRIEN: We have to take special steps to determine what that slot play will be.

ASSEMBLYMAN LaCORTE: But, you don't really know if slot play is higher, or game tables are higher during those periods?

DIRECTOR O'BRIEN: We do not have those demographics at this time.

ASSEMBLYMAN LaCORTE: Okay, thank you.

ASSEMBLYMAN FORTUNATO: Excuse me, you don't have the demographics of who are--

DIRECTOR O'BRIEN: Of slot play versus table play -- the volume between four and six, let's say.

ASSEMBLYMAN FORTUNATO: But, you made that recommendation?

DIRECTOR O'BRIEN: Yes, on a trial basis, so we can see what that information may be.

ASSEMBLYMAN FORTUNATO: Okay, thank you. Mr. David Gardner, Assistant Executive Director of the Atlantic City Casino Hotel Association.

DAVID GARDNER: Mr. Chairman and members of the Committee: The Association appreciates this opportunity to discuss our position regarding twenty-four hour gaming in Atlantic City.

The Casino Hotel Association endorses also, as we have heard other people do this morning, the Attorney General's proposal permitting twenty-four hour gaming for a six-month trial period, limited to weekends and holidays. What we are saying is, we don't know either. I have heard a number of questions, and Mr. Jacobson raised a number of pertinent things. We do not know a number of things about how twenty-four hour gambling will work. We think it will. We are confident, but we are not certain it will work. We would like to have more information.

A test period, from our point of view, would allow the industry and government, the Legislature, the regulators, to evaluate some of the following data.

We would like to review the impact twenty-four hour gaming would have on personnel requirements. Joel mentioned that, and so did the other speakers. We would need to project the increase in revenues generated during the time when the casino would normally be closed. We would also look at the increase in regulatory costs, if any, that might be experienced. We would like to evaluate the increase in the number of people who would utilize the hotel accommodations rather than drive home. And, as other people mentioned, we need to explore how twenty-four hour gaming could improve traffic flow, and certainly reduce crime, if patrons were not forced to leave the casino at a certain time.

The Association believes that before twenty-four hour gaming is fully enacted, there should be a limited test period, so that data can be collected and analyzed. With that, we would agree with the Commission.

The costs of running a casino gaming operation in Atlantic City are different than in any other jurisdiction. We believe, but we are not sure, that the additional time will generate sufficient revenue to justify the program. In a test period, answers to all of the questions can be researched, and information would then be made available for either the Commission or for any other pertinent purpose. Without a test period, we would only be speculating as to the potential success of twenty-four gaming.

Fundamental to the industry's participation, and we do want to participate, is regulatory modification and, again, Commissioner Jacobson articulated some of the things that might have to change, or might have to be modified. We would like to test them to know whether these things can be done, and whether they should be done.

In order to implement this program, even on a test-period basis, the area of the staffing level would have to be looked at, both casino personnel and regulatory staff. We are not sure that additional staff would be necessary on the part of the regulatory bodies. Regarding game mix and availability, functions that are now completed

during the hours when the casino floor is closed, such as slot drops -- all of these things should be looked at. We would encourage the adoption of a study program for a limited period of time -- a six-month period of time. We would also suggest that a study group composed of casino hotel executives and regulators and members of the Casino Control Commission be organized to collect and evaluate that data during this test period. After the six-month period is over, a report could be submitted to the Legislature for further evaluation of the idea of twenty-four hour gaming.

In conclusion, we would like to emphasize that our members are in a service industry. We are a tourist industry, which is the largest industry in the State of New Jersey of the many industries in the State of New Jersey. To be able to provide twenty-four hour service to our patrons, most of whom are one or maybe two gas tankfuls away from Atlantic City, is a laudable goal which we believe should be pursued. However, before that service becomes permanent, we want to know the costs involved and the benefits derived, and we think you do too. This study period will allow us to provide fundamental information to help make this decision. Thank you.

ASSEMBLYMAN FORTUNATO: Thank you, Mr. Gardner. Assemblyman Riley?

ASSEMBLYMAN RILEY: I have several questions, please. Everyone keeps talking about a six-month period, and it just struck me a little further. Just basically, we are talking about gathering empirical data to try to see whether, yes, it works, or, no, it doesn't work. Well, first of all, we are all familiar with the legislative process and the very expedient manner in which everything happens in the legislative process. Well, if we say, for instance, adopt a six-month trial period, as you suggest, as the Attorney General suggests, and everyone else, how long-- Okay, say we are going to adopt it and it goes into effect, I would suspect, again, the casinos being a semi-bureaucratic type of an establishment -- which I'm sure you wouldn't say -- but, you know what I am talking about, you have a large corporation, I'm sure it would take several months to gear up to the new program. By the time you get the new personnel, and all the hard stuff, like getting the computers changed, it would take,

obviously, several months to do. Obviously, to gather any type of empirical data, it is going to take several months. Well, say it takes two months, and we have three months of empirical data, substantive empirical data after we get the personnel in. We are talking about five months, and then, say it works, all of a sudden you guys would be going to the Legislature and saying, "Okay, it works. Everything comes out okay." But, meanwhile, we are going to stop what works in three weeks.

MR. GARDNER: I think that is a good point. I think there should be--

ASSEMBLYMAN RILEY: (Interrupting) What I was going to suggest -- do you think it would make sense to have a nine-month test period -- it said six to nine months in the original opinion -- and say you have to submit to the Legislature a report within six months? It just struck me as you were speaking, Mr. Gardner, "Wait a minute. It took us sixteen months to get this hearing." So, I think we're talking about -- God forbid it works. We would have a disaster on our hands, and we would have to gear down. We would have all the problems back again, and then we would say, "But, it worked. Let's do it all over again." It just doesn't make sense to me. So, do you agree that we ought to try to figure out some other way to do that?

MR. GARDNER: We have given that some thought. We believe that by about the end of maybe the third month, everyone should have a pretty good idea whether it makes sense in a number of areas. There may be some other areas that nobody can evaluate. For the most part, we should know within three months.

ASSEMBLYMAN RILEY: Dave, it took sixteen months for your Association to decide what their position on twenty-four hour gambling was.

MR. GARDNER: Because we don't know.

ASSEMBLYMAN RILEY: Because no one knows what's happening. Earlier I suggested two other amendments as proposals if this was adopted, you know, if in the long-term legislation it was adopted. The first was, that anyone laid off previously for economic reasons would have to be brought back. I'm sure you can't give the Association's position on proposals, but I would ask you to see if you can just kick that around.

MR. GARDNER: We will.

ASSEMBLYMAN RILEY: And, also, that there be a restriction on hours, not for management personnel, but other personnel, so we do not have the problem which you have heard, and I have heard, and which many of us have discussed, regarding the fact that at the end of the shift we have many, many very weary and not too attentive, sometimes, employees. I think we should do something about that.

MR. GARDNER: I think we can certainly address that, but I am not sure that is the right way. There are probably many people who enjoy working longer hours for additional pay, and we certainly do not want to penalize them.

ASSEMBLYMAN RILEY: Not even if they are hurting all of us?

MR. GARDNER: That will certainly have to be looked into.

ASSEMBLYMAN RILEY: Thank you.

ASSEMBLYMAN FORTUNATO: Assemblyman LaCorte?

ASSEMBLYMAN LaCORTE: As you know, David, the bill is written now for fifteen months and for weekends and Mondays -- I do not think holidays are included -- for the summer months basically. You addressed one section where you would be willing to move from fifteen -- the Association would compromise to a six-month program regarding weekends and Mondays.

MR. GARDNER: Yes.

ASSEMBLYMAN LaCORTE: That was an area this Committee had a lot of difficulty with when it was originally released. Have the casinos taken a position on that also?

MR. GARDNER: We would prefer weekends and holidays.

ASSEMBLYMAN LaCORTE: And, the elimination of Mondays?

MR. GARDNER: The elimination of Mondays, that is correct.

ASSEMBLYMAN LaCORTE: And, what about the start-up time? Will you wait until June, 1984? Have they taken a position on that?

MR. GARDNER: Again, it would depend upon how quickly we were able to--

ASSEMBLYMAN LaCORTE: (interrupting) Well, let's say that knowing -- as Dennis so aptly said -- it does take a little bit of time sometimes, if it was put through, let's say, in November, or around that time, when do you think the industry would like to begin the program?

MR. GARDNER: I would like to say January now, but I would also like a chance to discuss this further with our members, because it has been mentioned that perhaps summertime would be a good time to get additional data, and maybe January to June would not be. So, I just can't give you a definite answer at this moment.

ASSEMBLYMAN LaCORTE: One point that was raised by the Commission was the requirement for new personnel, and the question about whether we are going to be extending to three shifts. I think Dennis is trying to apply that through some kind of a regulatory area. Does the casino industry have any feeling on what new personnel would be needed, and how many new jobs could be created by this?

MR. GARDNER: No, we do not.

ASSEMBLYMAN LaCORTE: Of course, this is going to be a voluntary -- I think you need thirty days to apply to the Commission. Do you know of the nine casinos we presently have, which ones would be interested? Would all nine casinos be interested in applying for twenty-four hour gambling?

MR. GARDNER: All indications are that they would, but I cannot say that definitely, and it should be optional.

ASSEMBLYMAN LaCORTE: I think it is optional, even in the bill as it exists right now. But, you do not know firmly if all the casinos would apply: or one, or two?

MR. GARDNER: No.

ASSEMBLYMAN FORTUNATO: Thank you, Dave.

MR. GARDNER: Thank you.

ASSEMBLYMAN FORTUNATO: Mr. Sarfaty from the New Jersey Council of Churches. Is he here? (negative response) Are there any other participants, people who would like to make a statement? Mr. Luciani?

A L L U C I A N I: Good morning. I represent Golden Nugget; I am a corporate officer. I believe our opinion differs markedly from those of the members of the Association, of which we are not a member. Golden Nugget favors twenty-four hour gaming, but I think in order for the Legislature to make a fair determination of what it seeks to accomplish by enacting twenty-four hour gaming on a test basis, it has to identify the objectives it seeks to accomplish. If you are looking

for employment, opening casinos on a twenty-four hour basis for two days a week and holidays will have minimal employee impact. We calculated based upon our assessment, that about 275 new positions would be created if it were on a five-day or a seven-day a week basis. If it were on a two-day a week basis, the number of positions would probably be about 10% of that. So, as a consequence, the number of new jobs that would be created would be minimal, and I think you have to identify what your objective is. If it is to create employment, I don't think two days a week is going to accomplish that to any meaningful degree.

Secondly, I think that Assemblyman Riley hit the nail on the head. In order to analyze the impact of it both from the revenue tax basis and the regulatory basis, if we only open it up on weekends, how do we know what the impact is going to be during the week? If we only open it up for the first six months of the year, what would the impact be during the summer? And, that includes the impact on traffic flow, when it is most sensitive in the summer. It deals with issues of crime control. There are practical problems without a doubt. You heard a litany of the practical problems from Commissioner Jacobson. None of those problems are insurmountable by any stretch of the imagination. They are management problems; they are regulatory problems, but they are problems that could be resolved in a relatively short period of time. And, yes, it would cost a fair amount of money to gear up to accomplish twenty-four hour gaming, but, honestly, from a two-day week standpoint, I am not sure whether it makes any sense economically to make that gear-up, to make that initial commitment.

I will say one thing further, from a regulatory standpoint, the creation of three shifts sometimes, and two shifts other times, in the context of casino operations, makes it difficult to have a consistency, because you are going to have changes. One of the premises of regulation is the consistency or regularity, so that aberrations can be easily identified. We are creating aberrations if it is on a two-day a week basis. We are not creating normalcy.

Again, when we talk about hours and shifts, we believe it is in the best interest of people to work a normal workday. That is Golden Nugget's philosophy, and I believe it is the industry's

philosophy. But, there are practical limitations, and if you impose a two-day a week requirement, or a possibility, you are going to create the opposite. I believe you will create by necessity extended shifts, because it is easier to handle the inconsistency merely by asking personnel to work a little longer, and stagger the shifts, rather than create that third shift.

Some things are already on a twenty-four hour basis. For example, at least in our operation, the cage is operated on a twenty-four hour basis. Security is on a twenty-four hour basis. So, while you may have to augment the number of people, most of the hotel operation, and part of the casino operation, is already on a twenty-four hour basis. If Director O'Brien's suggestion is contemplated, I think it would create a serious disincentive to creating any new jobs -- if we did a slots only operation. I do not need any employees to operate slot machines. I would put two more mechanics on and I could accomplish what Director O'Brien seeks to accomplish. Frankly, I do not think you can get the empirical data you are seeking with that type of a limited experiment. If you want data, you have to have a data base. In order to get the data base, you have to have something that approaches the reality of what you are considering. If you are considering twenty-four hour gaming, and you are considering doing it seven days a week ultimately, then test it on a seven-day a week basis, because that is the only way you are going to get the data to judge it. If you look at it on a two-day a week basis, what is it going to tell you? Is it going to tell you that it makes sense to do it on a Wednesday? If you do it on holidays only, what are you going to create?

Frankly, we are very much in favor of twenty-four hour gaming. We believe that the creation of 275 jobs at the Golden Nugget would be repeated eight or nine times throughout the City, but it would take time. It would take the convincing of the other casino operators that that is what is necessary and that it would be in the best interest of the industry and the public. I believe, but this is just an opinion, that some of the public safety considerations mentioned by Mayor Matthews are valid. I think public ingress and egress to and from the City is complicated by the openings and closings. I think the

roadways which exist now are congested by virtue of the openings and closings. I think additional public safety factors, such as walking the streets, and the like, are complicated by the openings and closings, but that is only one person's opinion. There certainly is room to differ, but we are never going to know unless we try. And, we are never going to know what the empirical impact of that is unless you have a real data base.

You cannot make a judgment as to what seven-day, twenty-four hour gaming is going to be, unless you operate seven-day, twenty-four hour gaming. I think you have to consider, in my humble opinion, the different seasons. So, you have to have, in my humble opinion, a minimum of nine months, so that you can have part of the winter, the spring and the summer. You may eliminate the fall; maybe it should be a year. But, from our perspective, that is what we see. Again, I speak only on behalf of Golden Nugget, which happens to be very much in favor of creating this experiment.

ASSEMBLYMAN FORTUNATO: Thank you, Mr. Luciani. Up until this point, I do not believe the Committee has heard anything new, anything we did not expect to hear, because we as a Committee have met on this issue many times. May I ask, how many gambling days would be needed to study this issue?

MR. LUCIANI: How many gambling days?

ASSEMBLYMAN FORTUNATO: How many days of operation?

MR. LUCIANI: Do you mean in the aggregate?

ASSEMBLYMAN FORTUNATO: In other words, how many days of a test period would you need to study this?

MR. LUCIANI: If I understand the question, and I'm not sure I do, I think a minimum of 180 days, but that would really be an unfair test, in that you possibly eliminate the summer months. I think that is important because it may be -- and I am not advocating this -- but, it may be that after this six or nine-month test period, there could be a policy conclusion that it makes sense from Memorial Day to Labor Day, and it does not make sense for the rest of the year. I do not believe that to be so, but it is possible.

ASSEMBLYMAN FORTUNATO: I believe there is a misconception, because I have heard it mentioned that there is going to be an omission

of the summer. That would only be on the assumption that gambling is going to start next week or next month on a twenty-four hour basis. I don't believe the Legislature has reached the point of making that decision, and as Assemblymen Riley and LaCorte have indicated, and as other people have indicated, there is that legislative procedure. What I am asking is, how many days of a test period, if we look at a six-month period of gambling on weekends and holidays -- we are looking at approximately eighty-four days.

MR. LUCIANI: I am suggesting to you that I think to do it and create a data base that should be, I think you are going to need 180 days, or thereabouts, so that you can have an impact and be able to judge the various days of the week, not just those days of the week, and to create the job base, the employment base, that you are interested in creating. I believe 180 days would be necessary to accomplish that.

ASSEMBLYMAN FORTUNATO: A full six-month period?

MR. LUCIANI: A full six-month period, at a minimum. I think maybe 270 days might even be better.

ASSEMBLYMAN FORTUNATO: Okay. Assemblyman Riley?

ASSEMBLYMAN RILEY: Following up on that same line, I absolutely agree -- for the whole period I agree. The Attorney General came up with the proposal of weekends and holidays. It was testified to about a year ago in front of us. You know, the Attorney General probably thinks Atlantic City is at the end of the Green Horse Pike. If we are going to do this and make some type of an experiment that works-- All of us know exactly what the results are going to be between six a.m. and ten a.m. on Saturday mornings during July. I think this whole proposal the Attorney General came up with as far as an empirical study is concerned, is nonsense, because, you know, gee, what is going to happen when you keep a casino open between six o'clock and ten o'clock on July 11. Well, I don't think it takes an Einstein to figure out that it is going to be successful. What we do not know is what is going to happen when Monday comes? That is a compromise I suggested -- weekends, holidays and Mondays -- so at least we would have something to go by. I don't know, and I suspect you don't know, what is going to happen in February on a weekday.

MR. LUCIANI: I do not have the slightest idea, although I do have a gut reaction, and it is positive. But, might I suggest again, that I suggest the Legislature has to identify what it seeks to accomplish. What are the objectives of the test? Are you trying to create employment? If you are trying to create employment, I suggest -- it was my opinion that this experiment is destined to failure.

ASSEMBLYMAN RILEY: You do not create employment by test periods.

MR. LUCIANI: But, you do not create employment by creating weekend opportunities.

ASSEMBLYMAN RILEY: What, create jobs for six months and then have everybody laid off? That's nonsense. The only rational explanation for this test period would be to try to gather empirical data. Can you really gather empirical data on Friday mornings and Saturday mornings?

MR. LUCIANI: No, I do not believe you can. I don't think that would be a valid data base.

ASSEMBLYMAN RILEY: We would have to have it split over several seasons, and at least have some time where we can study something besides a weekend. Wouldn't you say that?

MR. LUCIANI: Absolutely.

ASSEMBLYMAN FORTUNATO: Assemblyman LaCorte?

ASSEMBLYMAN LaCORTE: What are the casino's goals for twenty-four hour gambling?

MR. LUCIANI: What are the casino's goals?

ASSEMBLYMAN LaCORTE: Yes, what are the goals of the casino?

MR. LUCIANI: Well, obviously, the goal from the Golden Nugget perspective is that it is in business. It believes that its business opportunity would be improved in Atlantic City were there to be a twenty-four hour operation. We believe our employee relations would be better because our employees could create a more normal existence for themselves. We have a lot of people who work ten-hour shifts. They do so on the basis of necessity at times, not always by inclination. We changed our pay structure and our approach, after some discussions with our casino employees, the actual pit operators. There were many requests to be able to work eight-hour shifts, because we

have now gotten to the point where the people who are operating the games are more mature. They want a normal existence, and it is more difficult to give them that under the present conditions. We believe very strongly in creating good relations with our employees, and giving them the opportunity to do what they want. There are those who want to work ten hours, but it should be an employee's choice wherever possible, as opposed to management imposition. We believe twenty-four hour gambling would create more of those employee choices.

There is no question that we would make more money; that is the nature of business. There wouldn't be any sense in us urging twenty-four gaming, if it were not intended to make more profit for us, I hope. But, we believe it would also make Atlantic City a more attractive town. We believe it would create more of a flow of people, not people who are predetermining that they have to go home at a given hour because the town shuts down, but people who would be more relaxed. The visitors could then make their own determinations about going, staying, or doing either. In my own opinion, that would create more overnights, because people, again, would not be pressured into making decisions. They have to make a commitment before they come here; they cannot decide when they are here. It is a psychological thing, I submit to you, and I think people become inhibited as a consequence. So, I think all of those things would improve Atlantic City. It would improve the employees' lot, so to speak, and I think it would create an opportunity for great profits.

ASSEMBLYMAN LaCORTE: You indicate Golden Nugget feels there is a possibility of 275 new jobs if the system goes into effect twenty-four hours, not just on an experimental basis.

MR. LUCIANI: Five to seven days a week.

ASSEMBLYMAN LaCORTE: Five to seven days a week. How many total employees does Golden Nugget have?

MR. LUCIANI: We have about 3,100.

ASSEMBLYMAN LaCORTE: Thirty-one hundred.

MR. LUCIANI: So, it would be almost a 10%.

ASSEMBLYMAN FORTUNATO: Are there any other questions?
(negative response) Thank you. Did I see another hand?

ASSEMBLYMAN LaCORTE: May I just ask you one more question, the same question I asked Dave Gardner? If it was an experiment on a weekends only basis, would Golden Nugget participate?

MR. LUCIANI: We would participate more than likely by virtue of the competitive pressures. It would not be our choice, because we do not believe it would be a service overall to the public, nor to our employees. However, we would participate because we think competitive pressures would necessitate it.

ASSEMBLYMAN LaCORTE: Thank you.

ASSEMBLYMAN FORTUNATO: Yes, madam.

MRS. GROCH: My name is Arlene Groch. I am a member of the public, not a member of the industry. Are you still calling for witnesses?

ASSEMBLYMAN FORTUNATO: Sure.

A R L E N E G R O C H: My name is Arlene Groch; I am the Democratic candidate for the State Senate from Atlantic County. I would like to express my concurrence with the thoughts of Mayor Matthews and, in fact, of others. I also support the idea of twenty-four hour gambling for Atlantic City. The information I bring to you, however-- Although I would reiterate the concerns for the number of jobs this would increase, as well as public safety concerns, and traffic concerns, I am not going to repeat those expressions of concern that have already been repeated to you many times during your hearings and during the time the legislation has been before you. What I would like to express to you, however, comes to you from my experience as an attorney who does a great deal of matrimonial law in this county.

As such, I have a large number of clients who come to me for divorces, in part because of the impact of the casino employment situation on their lives. Now, I am not going to tell you that if we switch from ten-hour work shifts to eight-hour work shifts that that is going to cause any kind of a significant decrease in the number of matrimonial problems that casino employees have. I cannot give you that kind of statement. I can tell you, however, that with a large number of people who come to me with matrimonial problems who are employed in the industry, having to work ten-hour days, added to the other problems of being employed in this industry, does have a

significant impact on family life. I would hope that enabling these people to have a choice of an eight-hour or a ten-hour day -- and, certainly, there are many industries where there is an option of working ten-hour days, and some employees really want it-- But, for those who do not want it, and who want to reduce the impact of the employment situation on their family life by having more time at home and having a more regular life style, this could be a very helpful factor.

I wanted to relate that information to you, because I do not believe it is something that has been expressed before. That has been my experience, and I pass it on to you for your consideration.

ASSEMBLYMAN FORTUNATO: Thank you. Assemblyman LaCorte, do you have any questions? (negative response) Yes, sir. May I have your name, please?

J O H N S C A R S E L L E T T I: My name is John Scarselletti. Gentlemen, you've heard from all the agencies and the prominent people, and I think it is time now for you to hear from the public, because contrary to the opinion of the Mayor, casino gambling has cost the people of Atlantic City plenty. Utility costs and taxes have increased to a point where people can no longer afford to live here. When gambling was passed, we thought the people of Atlantic City would be relieved of some of their tax burden, but the opposite has occurred.

Regarding this twenty-four hour gambling, virtually you're talking about a family resort versus a casino town. That is the contrast, one affects the other. Now, you're talking about buses running at night, when people are supposed to be sleeping. If it is still a family resort, there are times when these people have to sleep. Are you going to incur, say, bus runs after midnight, coming into town, going through town? That is what you are going to do because that is the only way you are going to get people into the casinos, because the bus schedule, as it is right now, is so documented, and so scheduled, to accommodate the time period. So, when you talk about three shifts, you are also talking about buses on three shifts, which means you are going to be running buses at night. This is a problem for the people who are trying to sleep, if the town is still going to be a family town.

You talked about buses with reference to the four a.m. traffic when people are leaving. With reference to the four p.m. traffic you are talking about two shifts, which means that this traffic also occurs in the evening at a time when there is additional traffic. At four a.m., there is no traffic. So really, when they are talking about this four a.m. traffic problem, it is not a problem. As a matter of fact, it should be less of a problem, because you are not congesting with the other traffic at that particular time. So, I don't know what the big problem is there.

With reference to ACTA, ACTA has just instituted a new time schedule. They increased the bus routes, the scheduling, to accommodate the employees, who are mostly living outside of Atlantic City. Therefore, this has all been done to accommodate the present schedules of the buses. I do not think bus traveling at this hour is a problem.

Now, they're talking about employment. The casinos will not maintain the staff for twenty-four hour gambling. They will cut the staff to meet the demand. Therefore, no increase in employment. There are some now who do have ten-hour shifts, but this is on their own. They want to do a ten-hour shift. They get paid for a ten-hour shift. So, you are really going to decrease employment, because if you come down here in the wintertime, you'll find that people are being laid off. The casinos will not maintain three shifts through the winter months. They will just cut back, so really it is not going to be a benefit. Now, if they really want to do something, they should make three six-hour shifts, three six-hour standard shifts, which would increase employment. This other won't.

With reference to crime, they said something about crime at four a.m. Let's face it, as you all know, if somebody is going to go after a high-roller, they are going to do it, just as they rob a home or anything else. These are not on-the-spot crimes. These are crimes by people who know what they are doing. They pick their victims, so four in the morning when people are coming out is not a criteria for the increase of crime, because these people are all pegged. Of course, you'll find even now, in the casinos themselves, high-rollers will be mugged in the men's room, they get robbed in the suite, they get robbed

in the street. These people are pegged, so this is not going to increase crime, nor stop nor deter it either. So, with reference to crime, that is, shall I say, a false argument.

Now, with reference to the people themselves, they're saying, "Well, if you do this, they'll stay overnight." People will not stay overnight, because of the fact that there are no accommodations here. There are no hotels. The casinos do not accommodate the common person who is looking for a room. They cater and take care of the casino patrons; that is good business for them. So, when they put up a half a dozen hotels the situation is going to change, but right now, their business is the bus traffic. If you compare Atlantic City to Las Vegas, there is no comparison, because of the fact that you are drawing from the public to this bus program people who are not normally gamblers per se. The type of people you are drawing is not really interested in gambling all night. Now, I think the time period is fine, but if you do increase this gambling period, don't forget, you still have the Boardwalk where people walk, jog and everything else in the morning. I mean, we do have the remnants of a resort town. But, when you get twenty-four hour gambling, what you are doing is, you are making Atlantic City a casino town. I think this is the only distinction between a family resort and a casino town. If you make it twenty-four hours, you will have fully, a casino town. You will be taking away all of the resort element, because the big thing to draw people in is conventions, which have been a big controversy from the word go, because Convention Hall has been kaput and everything else. It is all interrelated.

So, gentlemen, I think the Casino Control Commission made a good presentation on the points they brought up, because I think they have had enough meetings so that they are people oriented. There is a reinvestment fund they're fighting for to increase housing and so forth. I don't know what the real solution is. I thought, for example, when the casino people came here, the Casino Hotel Association -- they didn't commit themselves to it. One casino representative came up here to testify on the twenty-four hour gambling. One casino, Golden Nugget. Gentlemen, it should be the people who are really concerned who should come up here to testify, the people themselves.

This is a public hearing, but there is no one from the public to voice an opinion. You are hearing a one-sided story. I don't know if the public is afraid to come here, or they are intimidated, but they should come to voice their opinions, because this affects them, and it is not a clear-cut thing. There are a lot of elements involved here.

So, until something is done-- Even when you talk about a six-month period, let's face it, there are six summer months and six winter months, and there is a big difference. If you come down here in the winter, it is like a ghost town. There are not too many people here outside of the bus traffic for the casinos. When you say six months, even nine months, maybe you should increase it to a year, if that is really what your aim is, because that is the only way you are going to get a true picture. You can't pick the six months you're talking about, because your summer months are going to be three or four times greater than what is involved in the winter months.

Actually, it's a more complex problem. If you go to twenty-four hour gambling, that's the first step to solidifying Atlantic City as a casino town and, as I said, the results of what has already occurred have made it almost impossible for people on a fixed income to live here. So, what are you going to do? It's the same old problem. If you are going to have a family resort -- they are supposed to live side by side, but it is becoming more and more difficult. It is going to be your decision whether or not this is going to mesh. So, gentlemen, the decision is up to you. Thank you.

ASSEMBLYMAN FORTUNATO: If I may just offer this to you. The purpose of this hearing was to give the public an opportunity to appear before this legislative Committee. We have tried to do our part.

MR. SCARSELLETTI: I understand that, sir.

ASSEMBLYMAN FORTUNATO: Your comments are very well taken. I can appreciate them, believe me, but I just wanted you to know that because the public is not here, or because more people are not here to testify from the public sector -- we cannot govern that.

MR. SCARSELLETTI: No, I know you cannot regulate that. I have been to quite a few public hearings for the sole purpose of doing this, because, I don't know, for whatever reason, people are a little squeamish about coming up here. I mean, you know, you don't have horns

or anything like that, but they are just afraid to come here to testify. Without exception, you'll find that groups and agencies will appear at all these hearings, but the people themselves do not appear.

ASSEMBLYMAN FORTUNATO: At the last hearing we had here, there was quite a bit of public participation. But, again, I appreciate your coming.

MR. SCARSELLETT: Okay, thank you.

ASSEMBLYMAN FORTUNATO: Is there anyone else? Yes, sir?

E D D E V L I N: Mr. Chairman and members of the Committee, my name is Ed Devlin. I am the owner of the Irene Gift Shops; I am the oldest operator of novelty gift shops on the Boardwalk in Atlantic City. My family is the largest operator along the coast, all the way to Florida.

This question of twenty-four hour gambling bothers me because we are going to make this a casino town. Now, in Ocean City, Maryland -- we are the largest operator in Ocean City, Maryland -- they seem to feel that Atlantic City is becoming too much of a gambling town, from the comments I hear down there. With twenty-four hour gambling, Atlantic City is going to become totally a casino town, and we are going to lose the image of a family town. I was the owner of the last bathhouse on the Boardwalk in Atlantic City. I closed my bathhouse two years ago, for a number of reasons, but primarily because we do not seem to be attracting families.

I counted on the beach -- I have my office only a block away and it looks out on the beach -- in one whole block at South Carolina Avenue, I counted twenty-five people; there should be five hundred people. I notice the prime interest in coming to Atlantic City is not as a resort or a vacation place. They are coming just for the casinos. Everything is the casinos. Now, if it is going to be twenty-four hours a day, that will just make it completely and totally a casino town.

When I was asked to come up with some suggestions by the Committee to Rebuild Atlantic City, which I did -- I suppose as the largest dealer on the Boardwalk -- it was to help Atlantic City, to help the merchants. Now, would you believe, I'm the first store coming from the north part of Atlantic City on the Boardwalk, that's the south part of the Boardwalk-- I had other stores at Virginia Avenue and

Maryland Avenue only a few years ago. I notice my friends disappearing, my merchant friends, my business friends, because of the casinos -- the casinos. If it is going to become twenty-four hours, gambling will become even more dominant.

What is happening to Atlantic City? Where did we go wrong? Why didn't we help our local merchants? Where are they disappearing to? Having gambling twenty-four hours is not going to help them. It is not going to help my friends on Atlantic Avenue. Everything I have on was bought on Atlantic Avenue, my shoes, my socks. The car I drive was bought in Atlantic City. I am an Atlantic City person. I was on Atlantic Avenue yesterday and I stopped at one of my friend's to make a purchase. Business is very bad. We got talking, and it seems the casinos are not helping the merchants on Atlantic Avenue. They come in capsules, in and out, in and out. You put them in a capsule at the Expressway and bring them into the casinos; then you put them in a shuttle bus and take them out to the capsule, and the capsule takes them out to the Expressway, and off they go.

Twenty-four gambling is the question today. As a Boardwalk merchant, and as an Atlantic City person, as an independent, I cannot imagine it working twenty-four hours, not even on an experimental basis.

To be frank, I'm just not too impressed with all the casinos. That was not the intent. The intent was to bring the casinos in to help the hotels pay the taxes, to pay the heating costs. It was not supposed to be this, so dominant, so strong, so powerful, overwhelming the whole community. Twenty-four gambling is going to make us another Las Vegas of some type, but even worse. Las Vegas has a good community, an economic community. Atlantic City doesn't.

I cannot accept it as being in the best interest of the Boardwalk; I cannot accept it, as an Atlantic City person, as being in the best interest of Atlantic City, not even on an experimental basis. I say, "no." I say, "definitely no." I must oppose it. I must be strong in my feelings and in my opinion. I don't think we need it; I don't think we want it; I don't think the people of Atlantic City should have to put up with anymore than what they have put up with to this point. The preceding speakers spoke about how bad it is -- it's worse. I am not going to get into that area.

I thank you for your time and patience, and for coming here, gentlemen. I believe you have an interest in Atlantic City. You really believe Atlantic City is important enough to come down here, because you have a stake in it as far as the State is concerned, but casino gambling is a very, very unique industry. I believe you have feelings for Atlantic City, but all I heard from the preceding speakers was about the casinos. The people need help; the town needs help, and twenty-four hour gambling will not do it.

Again, I thank you for coming to Atlantic City. If you have any questions, I will be happy to answer them.

ASSEMBLYMAN FORTUNATO: Thank you. Assemblyman Riley?

ASSEMBLYMAN RILEY: What time does your gift shop open?

MR. DEVLIN: Nine o'clock in the morning.

ASSEMBLYMAN RILEY: If I understand, maybe your objection is more from the philosophical standpoint. Obviously, this would not have an impact, you know, as far as six o'clock versus ten o'clock. Would it be accurate to say that what you are really disturbed about is that the dream of Atlantic City has not been fulfilled? The reinvestment money that was promised, the housing starts that were promised, the help to the merchants that was promised -- those things have not been done. Is that really the problem you see?

MR. DEVLIN: That is not even a necessary question; that is an obvious fact. That is a very good observation on your part, Assemblyman Riley. We hope that a reinvestment fund comes down the line. But, I'm speaking specifically to the twenty-four hour gambling, which will make it so dominant, that my friends in other parts of the country will just say, "Atlantic City is a gambling town." That was not the intent when bringing the casinos in. It was only to help the hotels pay some of the bills and get some life back into Atlantic City, not to destroy the whole town, not to destroy the entire Boardwalk. It is practically a matter of destruction.

ASSEMBLYMAN RILEY: In reality, the whole country thinks of Atlantic City now as a gambling town. I understand your frustration. I am only one member of this Committee, and I cannot speak for the other members of the Committee, but believe me, I think your frustration is not really with this, as much as it is because nothing

has been done. I think I can speak for the rest of the Committee when I say we are all as frustrated as you are. I promise, I think all of us do, that we will try to do something this year to get something going with the reinvestment money.

MR. DEVLIN: Thank you.

ASSEMBLYMAN FORTUNATO: Thank you, Mr. Devlin. Are there any other comments? (no response) I thank you for your attendance and participation. Please address any further communication to the Committee.

(HEARING CONCLUDED)

The New Jersey Council of Churches

116 North Oratton Parkway • East Orange, New Jersey 07017 • (201) 675-8600

July 25, 1983

The Hon. B. Fortunato
State House
Trenton, New Jersey 08625

Dear Assemblyman Fortunato:

I write because of the schedule confusion which prevented my being present at your Atlantic City meeting to consider 24 hour gambling.

More than usually, we have strong feelings and judgements on this subject which our people very much want me to share with you.

Twenty-four hour gaming would be a flagrant violation of the promise of the family resort dimension of Atlantic City development which we were promised in the referendum.

The break from the gambling tables was not only supposed to foster family life amongst the city's visitors, it was also to be a protection against compulsive gambling.

More basically, with the increased competition amongst the several forms of gambling our state now has, it seems inappropriate to make a change in the pattern of one form until the Governor's study group on the future of gambling in New Jersey makes its report.

The arguments for twenty-four hour gambling seem to have many flaws in themselves which would make questionable any change based upon them. The Casinos don't seem to agree. And arguments about automobile pollution and the like seem to us relatively trivial.

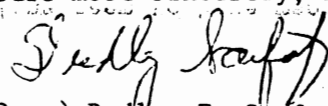
On a pragmatic level, I do not believe that gambling styles for our state should descend to a level of bargaining with the casinos. But if it is necessary to think on that level, certainly giving another concession to the industry when the investment credit issue is not worked out seems additionally flawed.

I should appreciate the chance to talk to you if you have any questions on our position. We certainly hope that this perennial issue could be settled once and for all and demonstrate the precedence of the legislature's principled judgement over constant chisslings away at the Casino Control Act by the Industry.

Yours most sincerely,

cc: Wayne R. Bryant
W. P. Schuber
S. M. Terry La Corte
Dennis L. Riley
Wayne Bockelman ✓

DES/ap


(Rev.) Dudley E. Sarfaty
Executive Director of Public Issues

AFRICAN METHODIST EPISCOPAL CHURCH, New Jersey Conference • AFRICAN METHODIST EPISCOPAL ZION CHURCH, New Jersey Conference • AMERICAN BAPTIST CHURCHES OF NEW JERSEY • CHRISTIAN CHURCH, Northeastern Area Association • EPISCOPAL CHURCH, Diocese of Newark, Diocese of New Jersey • GENERAL BAPTIST CONVENTION OF NEW JERSEY • LUTHERAN CHURCH IN AMERICA, New Jersey Synod • OLD ROMAN CATHOLIC CHURCH • REFORMED CHURCH IN AMERICA, Particular Synod of New Jersey • RELIGIOUS SOCIETY OF FRIENDS, New York Yearly Meeting • THE SALVATION ARMY • UNION AMERICAN METHODIST EPISCOPAL CHURCH • UNITED CHURCH OF CHRIST, Central Atlantic Conference • UNITED METHODIST CHURCH, New Jersey Conferences • UNITED PRESBYTERIAN CHURCH IN THE U.S.A., Synod of the Northeast.

AN OPEN LETTER TO GOVERNOR KEAN AND NEW JERSEY LEGISLATORS

In the summer of 1981, casino operators publicly threatened that unless they were granted 24-hour gaming, an anticipated off-season business slowdown would necessitate industry wide lay-offs. That September, several casinos held their lay-offs. Business, however, did not slow down. The figures tell the true story.*

At Bally's Park Place, where no corporate lay-off policy had been formulated, workers were laid off with no regard for job competency, attendance records, or seniority. Selection of workers laid off was arbitrary--determined by who you were, euphemistically, "in" with. People with excellent work records were laid off for an anticipated business slowdown that never, in fact occurred. During recent labor problems with striking dealers, Bally management publicly conceded they had mis-managed the lay-offs. But what have they done to redress the damage. Nothing. As at the other casinos, no laid off workers have been re-called. Was their concession empty campaign rhetoric?

With only a handful of exceptions, no Atlantic City casino has filled floor or box positions from outside its own ranks, preferring in the past two years, unlike the first 3 years of Atlantic City casino gaming, to promote from within. (In the several industry exceptions, floor positions were opened to key-license holders who previously held higher-level positions ranging from casino manager, through shift manager, to pit boss. Consequently, laid-off floor people have either returned to work as dealers, abandoned the state/industry entirely for work elsewhere if they are no longer physically fit enough to deal, or remain unemployed. In a time of industry plenty, some of us are without work, without hope, and forgotten. Families and lives have been destroyed, homes, cars and possessions lost.

A strong argument proponents of 24-hour gaming often make is that the extended casino hours will create new jobs. Only Steven Norton of Resorts International, and Robert Downey, former head of the Atlantic City Casino-Hotel Association, have said that no new people would be hired when 24-hour gaming is instituted--that skeletal staffs of employees already on payroll would be adequate to man the casinos during extended-hours gambling.

When, in their wisdom, Gov. Kean and the New Jersey legislators deliberate the 24-hour gaming proposals, I urge them either to disregard entirely the jobs-creation argument, or to hold casino operators accountable for their campaign rhetoric. Require casinos to re-call workers laid off for "seasonal business slow-down reasons", before they promote or hire others to staff those positions opened by 24-hour gaming. Since no casino hires floor people from outside its own ranks, it morally behooves each casino to re-call its own lay-offs when business improves. And when casinos fail to discharge their moral obligations, higher forces must intervene. Many of us who have worked in the industry are regrettably agreed that, too often, a moral void exists in our specialized world that must be filled by our vicarious conscience, the regulatory agencies.

*

Where was the business slowdown? In the month of the layoffs, September, 1981, gamblers dropped \$105.9 million, nearly twice as much as the \$55.1 million of the same month a year earlier. Industry revenues for all casinos in 1981 were \$1.1 billion, up from \$642 million in 1980. The 1981 win equalled the amount won by the industry in the 3 previous years combined. Bally's Park Place won \$17.7 million in September 1981, up from \$15.9 million in September 1980, and for the 9 month period ending September 1981, profits rose to \$5 million on revenues of \$166 million, up from 1980's \$4.1 million on \$157.3 million revenues. Park Place 1982 profits jumped to \$10.2 million, and last week, Bally reported profits for the first 6 months of 1983 skyrocketed 200% to \$7.1 million. Yet, to date, no laid-off workers have been re-called. In the weeks following the layoffs, existing staff had to continue the summer six-day work schedule, and new hirings and promotions were made to fill the personnel shortages created by the eminently unnecessary lay-offs. Signed,

Two laid-off unemployed casino workers

