

**Statement for the Record**  
**Congressman Mike Rogers (MI-08)**

*House Committee on Natural Resources*  
*Full Committee Legislative Hearing*  
*February 6, 2008*  
*H.R. 2176 and H.R. 4115*

Chairman Rahall and Ranking Member Young, I thank you for convening this hearing which will have a profound impact on the citizens throughout my home state of Michigan. Please let me be clear: this hearing should not be about moral or ethical arguments with regard to gambling. This hearing should be about the very real costs of adding new casinos in Port Huron and Romulus, which H.R. 2176 and H.R. 4115 aim to do. It should also be about how we measure these costs, who pays for these costs, and whether or not the benefits of these proposed casinos outweigh the costs.

Despite what you have heard, these are not simple land swap bills. They are casino bills. If Congress allows this legislation to go through, it will pave the way for two new off-reservation casinos in Port Huron and Romulus. It will also drastically change how casinos can be approved all over the country. At a time when we need real IGRA reform, not new loopholes for casinos, these two bills are severely misguided. It should also be noted that the bills violate a Michigan gaming compact, agreed to by the Tribes and the State Legislature, which specifically prohibits off-reservation gaming unless all Tribes in Michigan agree to a revenue-sharing plan. The two casinos in question today have ignored this important agreement and circumvented regulatory process.

Most importantly, it is important for this Committee to know that there are real economic costs and consequences to the bills before you today. I believe that it makes no economic sense to add more casinos in Michigan. First, new casinos in metro Detroit will ultimately result in the loss of economic output. Studies have consistently proven that gamblers lose their money and their jobs. In fact, one study in 2004 estimated that problem gamblers lose enough money to equal a new recession every four years. Imagine the consequences in Michigan, a state with an already struggling economy, if it were to lose even more economic output. Second, casinos have proven to have a limited economic benefit to the surrounding region. The problem is that while a new casino's host city may see short term economic growth, studies have shown the regional economy is negatively impacted in the long term. Jobs, business and tax revenue are simply taken away from one community and given to another. Third, government is forced to pay higher costs as a result of new casinos. Some have estimated that for every \$1 of economic benefit created by a casino, it costs the government \$6 to pay for problems associated with gambling, including crime and social services. Finally, it has been proven that casinos raise local crime rates over the long-term, and local governments are ill-equipped to hire more police and law enforcement in the long-term.

It is clear to me that Michigan is already paying for these kinds of costs. Since 2001, Michigan has spent over \$20 million in taxpayer dollars trying to raise awareness about the costs of gambling. The state has run over 100,000 radio and print ads and maintained toll-free phone

lines and counseling resources to deal with a spike in troubled gamblers. Today, there are over 350,000 problem gamblers in Michigan, and I fear that number will only grow should these two new casinos in Port Huron and Romulus move forward. Studies have shown that about 1 in 20 people living near casinos become problem gamblers. You do the math for the citizens of metro Detroit, and it paints a grim picture.

There is a reason our country regulates casino gambling, because there are costs. When Congress regulates things, it needs to take into account what happens to the region it is regulating. We would take into account the state and regional effect of a new smokestack in metro Detroit, but not a new casino? Clearly, there needs to be much more careful thought and analysis about these proposed casinos before they move forward.

Today, Congress must also consider what the region and the state of Michigan wants. In this case, Michigan voters have already made their voices heard loud and clear. In 2004, Michigan voters said they wanted to approve any new casinos by a statewide vote. This ballot initiative, passed by an overwhelming margin, applied to new non-Indian gaming. The legislation this committee has before it today would authorize two casinos that have very little to with their respective Tribes. In fact, the proposed casinos would be located 350 miles off-reservation. I would argue that passage of these bills would directly undermine the voice of the citizens of Michigan and their desire to vote on any new casinos.

Mr. Chairman, there are real economic and government costs to casinos. And there are real problems with the two bills before you today. Casinos are complicated, risky propositions that deserve to be carefully studied and regulated by Congress. Michigan voters have already stated their opinion on adding new casinos, yet these bills roll back regulations and create a dangerous precedent for the future of our country. I would urge your Committee to oppose H.R. 2176 and H.R. 4115. Thank you for convening this hearing.