

**STATEMENT OF
REAR ADMIRAL JOSEPH STRASSER
UNITED STATES NAVY (Ret.)
IN OPPOSITION TO HOUSE AND SENATE BILLS
AUTHORIZING THE EXTENSION OF GAMBLING HOURS
AT
NEWPORT GRAND AND TWIN RIVERS IN LINCOLN**

I served as the President of the Naval War College in Newport from 1990 to 1995. During my 32 years on active duty, my family and I lived in many nice communities. My wife and I decided to retire here on Aquidneck Island because we have many friends here and because we felt it was a wholesome place in which to live. I am concerned that we are about to lose some of that wholesomeness due to the scourge of increased casino gambling. I speak to you today as a member of the Board of Directors of Citizens Concerned about Casino Gambling, based in Newport, R.I.

The United States Navy was born on Narragansett Bay. A naval presence has been continuous here for hundreds of years. At one time, many of the ships of the Atlantic Fleet were homeported here. Today, in many respects Newport is the Navy's education center with a large number of courses offered there for students from Seaman to Captain.

A few years ago, the Navy went through its most recent base realignment and closure or BRAC process. There was concern in some quarters that Newport's naval presence might be markedly reduced by the BRAC Commission. That did not occur. In fact, as a result of the Commission's recommendations, the Navy population will increase further, and by a significant number.

Currently, the combined annual student body for the Surface Warfare Officer School, the Senior Enlisted Academy, the Naval War College, the Officers Training Command, the Naval Justice School, the Command Leadership School, and the Naval Academy Preparatory School totals 9,222. Increased attendance at these schools, plus the arrival of the Maritime Operations Center and the Navy Supply School, will boost the total annual student throughput to 16,519, an increase of 7,297 or 79%. This dramatic augmentation in Navy population requires a significant increase in construction and renovation projects.

Today, the Navy is the fourth largest employer in Rhode Island with a total of 5,460 employees, consisting of 528 officers, 1,094 enlisted personnel, and 3,845 civilians. The total Navy annual payroll is \$561 million. Contracts recently awarded amount to \$46 million. Additional projects proposed for the future total another \$70 million.

Equally impressive is the number of defense contractors located on the Island due, at least in part, to the presence of NUWC and the Naval War College. There are so many that they have formed their own professional organization called SENEDIA, South Eastern New England Defense Industrial Association. While we are all familiar with Raytheon which has the largest presence, there are many others represented here including Northrop Grumman, Lockheed Martin, SAIC, McLaughlin Research, Purvis, just to mention a few.

While I don't have figures for the payroll of these companies, a large number of their employees are engineers and executive level personnel in high paying positions.

Now, you may be wondering where I'm going with all these figures on the size and economic impact of the Navy in Rhode Island. I want to contrast the Navy's impact with that of the proposed expanded gambling which the Rhode Island Senate and House Committees have already approved for consideration by the full membership of these bodies. According to the House fiscal advisor, if both Lincoln and Newport Grand took advantage of the extended hours on weekends and the days before holidays, the State could expect to receive an additional \$14.8 million in 2009. I want to emphasize that these are not my figures but House of Representative figures, which could be a bit optimistic. Now, listen to this, and again this is a House estimate, the City of Newport's take on the expanded hours would be an additional \$29,000. Is that worth the additional problems that the expanded hours could cause?

Now to be fair about it, the video machines do produce a fair amount of revenue for the State. In 2007, a little more than \$276 million went to the General Fund, about \$50 million of this from Newport Grand. However, the City of Newport received a rather small \$753,000, not a great deal considering the potential for problems, and an almost insignificant amount when compared to the revenue provided by the Navy's presence,

One of the main issues I have is that these expanded hours at Newport Grand occur at a location about a half-mile from the Naval Station. Many young sailors work and live on Base just a short walk from Newport Grand. Moreover, many students who come to the Base for courses ranging from a few weeks to a year are here without families. Our young enlisted sailors do not earn a lot of money; in fact, some of our younger families qualify for food stamps. Expanding the hours of operations at Newport Grand is certainly not in the best interest of these families. All night gambling and in all likelihood drinking availability within walking distance of the Naval Station does not promote the family values the Navy tries to inculcate in its people.

It also could put these families at risk economically. I have seen from relatively close distance the social costs associated with gambling. An uncle of mine was a gambling addict who spent as many days as he could at the casinos in Atlantic City. He was a high roller at the craps tables and would be treated very well during his many visits. As an inducement (as though one were needed) he would be given a free room and meals and gifts at the Casino. I would remind him that he had paid for them many times over through his very significant losses. He had a very good retirement from the New York City Police Department, and another from a union job as a theater stage hand, yet often he did not have two dimes to rub together

I do not want to see the same thing happen to our Navy personnel who are serving their country so well. Allowing expanded gambling, and most likely drinking, just a stone's throw from the Base places a temptation before our young sailors and those unaccompanied by their families which can not be justified by the meager increase in projected revenue for the State and certainly for Newport.

There will no doubt be additional base realignment and closure Commission activities in the future. More bases will be closed. I hope Newport will not be one of them and that the City will continue to welcome the Navy and provide a wholesome environment for Navy families. Therefore, I strongly urge our legislators not to support the expansion of gambling hours proposed by Senator Moura and Representative San Bento. You may be putting at risk an asset far more valuable to this State than gambling revenues.

I also urge Governor Carcieri to veto any bills passed by the Legislature advocating additional gambling hours at Lincoln or Newport. The Citizens of these communities have stated on numerous occasions that they are opposed to such expansion. Senator Moura and Representative San Bento need to listen to the people who live in Newport, Lincoln and surrounding areas. These people have spoken and would have been heard if our legislators were listening.

Finally, I urge Rhode Island voters to recall next November whether your legislator supported these bills and to cast your votes accordingly.