BULKY DOCUMENTS

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Part 9 **of** 10

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Copyright 2005 P.G. Publishing Co.
Pittsburgh Post-Gazette (Pennsylvania)

May 4, 2005 Wednesday SOONER EDITION

SECTION: ARTS & ENTERTAINMENT, Pg.C-5 ENTERTAINMENT DIARY

LENGTH: 248 words

BODY:

Impressionists in Vegas

The Museum of Fine Arts in Boston will loan paintings by Monet, Renoir, van Gogh and others to the Bellagio Gallery of Fine Art in Las Vegas for a seven-month exhibit that begins in June.

The exhibit will feature five paintings by Claude Monet, including "The Water Lily Pond," three paintings by Pierre Auguste Renoir and two late landscapes by Vincent van Gogh. In all there will be 34 paintings by 16 artists, including pre-and postimpressionists.

Young Lions award

Andrew Sean Greer, the 34-year-old author of the historical novel "The Confessions of Max Tivoli," has won the New York Public Library's Young Lions Award, given annually to an emerging author.

Library President Paul LeClerc called Greer's book, the story of a boy born with the body of an old man, "a truly original novel that offers fresh perspective on questions of love and age through an elegant balance of parody and profundity." Greer receives $10,000.

/ Muti's triumphant return

Riccardo Muti, who resigned as music director of Milan's La Scala last month, made an emotional return to the opera house as a guest conductor.

Monday night's concert, in which Muti led the Vienna Philharmonic, had been organized before he stepped down amid a labor dispute last month after 19 years at La Scala. Workers at La Scala had accused Muti of trying to turn the opera house into his personal fiefdom, and several performances were called off because of the feud.

LOAD-DATE: May 4, 2005

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Copyright 2005 The Chronicle Publishing Co.
The San Francisco Chronicle

MAY 4, 2005, WEDNESDAY, FINAL EDITION

SECTION: EDITORIAL; Pg. B9; DEBRA J. SAUNDERS

LENGTH: 769 words

HEADLINE: Runaway country

BYLINE: Debra J. Saunders

BODY:
WHEN THE feds quickly announce they won't press charges against runaway-bride Jennifer Wilbanks, 32, when the Albuquerque police chief discusses the "stress that she's been through" and law enforcement in Georgia is still noodling over whether to prosecute her for staging a kidnapping that didn't happen, you know you live in a country where actions mean nothing.

Don't get me wrong: There have been serious consequences to Wilbanks' apparently premeditated hoax — she bought her bus ticket a week before running off, and left behind her keys, wallet and ring, which made her disappearance look like a kidnapping, or worse. Many suspected that Wilbanks' fiance, John Mason, had killed her. Cable TV news reporters were happy to inform viewers that Mason had not agreed to a police polygraph. In such an atmosphere, some vigilante could have hurt Mason. Then there was the nightmare endured by terrified family members and friends.

The mayor of Duluth, Ga., estimates that Wilbanks' faux kidnapping and solo honeymoon in Vegas cost taxpayers some $60,000 for personnel. Now, if there is a real kidnapping, concerned neighbors may be less likely to join the search.

Worst of all, her phony alibi was unconscionable. Wilbanks' tall tale — that she was kidnapped by an armed "Hispanic man" and white woman in a blue van — smeared and brought suspicion to Latinos, Latino/white couples and even blue van owners.

The outrage isn't that Wilbanks skipped out of her 600-guest, 14-bridesmaid and 8-bridal shower wedding. (I should care? I didn't pay for it.)

The outrage is her apparent effort to report a false abduction. Backing out of a wedding — that's between two people. Staging a kidnapping — where government agents and citizens join the search — is America's business.

Jilted fiance Mason told Fox News' Sean Hannity that Wilbanks' guilt "has got to be consequence enough for me." Mason also said Wilbanks is "a victim here as well." And: "Haven't we all made mistakes?"

After the hoax came to light, the minister who was to have presided over the wedding, the Rev. Alan Jones, told CNN, "John said 'everybody has a right to make a mistake.' He said 'the Bible calls that sin.' He said 'the Bible also says every time we sin, we crucify Christ anew. And Christ forgives us and that's what grace is all about.' "

Maybe Mason is in shock and doesn't really know what he is saying. But when other people, who aren't in his sorry shoes, are saying the same thing, his excuses warrant a response.

I don't know why, but this nonsensical understanding of forgiveness — as if it should be given instantly, regardless of circumstances — seems to be popular among a growing faction of Americans, on the left and the right, who are caught up in a mania for forgiving.

They don't get it. Forgive and forget are not synonyms. Forgiveness is not something that should be granted automatically. You forgive people after they've admitted to what they did wrong and apologize.

Georgia Bureau of Investigation agent Carter Brank told the Associated Press that Wilbanks "was somewhat remorseful" but she "didn't come right out and apologize."

Or you forgive after time has elapsed and you choose to set aside your anger. You can forgive without making excuses.

Note to Mason: You can forgive your fianc, but that doesn't mean you still have to marry her.

Besides, the wannabe groom's comments don't speak of forgiveness. They suggest a clear unwillingness to confront the fact that an adult woman who would plan and carry out such a hoax, and subject her parents and fiance to such terror and suspicion, is utterly devoid of character.

(It's odd how the left sees the devout as being harsh and inflexible, yet here Mason and his spiritual mentors are dismissing this cruel act as a simple mistake, almost as if it were beyond the hapless Wilbanks' control. People I talk to in San Francisco are appalled at Wilbanks' stunt, while Duluth's good Christian gentlemen shrug that Wilbanks needs "treatment," as Mason told Hannity, "for lack of a better word.")

There is one other explanation: Wilbanks is mentally ill. Although her friends and family say she is not.

If she is not mentally ill, she should face greater consequences than her dubious sense of guilt.

The runaway bride's father, Harris Wilbanks, told Hannity that his daughter needs "some space and some time." I agree. In fact, I would like to see Wilbanks get that space and time — as long as the space is a cot in a jail cell and the time is spent reflecting behind bars.E-mail: dsaunders@sfchronicle.com.

LOAD-DATE: May 4, 2005

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Copyright 2005 Scripps Howard, Inc.
Scripps Howard News Service

May 04, 2005, Wednesday

SECTION: SPORTS

LENGTH: 896 words

HEADLINE: Andrade rejuvenates career at 41

SOURCE: Winston-Salem Journal

BYLINE: JOHN DELONG

DATELINE: CHARLOTTE

BODY:

It's hard to fathom that Billy Andrade has joined the forty-something crowd, and it's even harder to tell it by looking at him.

Andrade doesn't look like he has aged a day - well, maybe a week or two - since the late 1980s when he was a three-time All-American at Wake Forest.

Fact is, though, he turned 41 in January, and he is very aware of it.

"I'm old," Andrade said with a chuckle yesterday afternoon.

The comforting news is, old doesn't necessarily mean over the hill on the PGA Tour anymore.

And

Coming into this week's Wachovia Championship at Quail Hollow, he ranks 35th on the money list with $820,745 in official earnings - with four Top 25-finishes and a tie for second at the Heritage already to his credit.

It's the continuation of turnaround that started after he hit 40 last year, and it has him in a positive frame of mind as he prepares for Thursday's opening round.

"I haven't had a start like this in a long time, and that's nice to see," Andrade said. "I've hit the ball from tee to green nicely in the past year, and now I'm making some putts, so I'm a lot more confident with my whole game.

"I'm looking forward to this week. This is a tournament where you can't fake it around here, you have to hit a lot of good golf shots and you have to play well. So I'm anxious to see if I can get it going this week."

Andrade, who teamed with Len Mattiace to lead the Deacons to the 1986 NCAA golf title, now boasts career earnings of more than $10.25 million in 18 years on the Tour. His best year came in 1991, when he finished 14th on the money list. He has four Tour victories to his credit, the most recent coming at Las Vegas in 2000.

He seemed to be headed the wrong direction not that long ago. First, he dropped to 97th on the money list in 2003 with no wins and three Top Ten finishes. Then last year, he had only one Top Ten finish and fell all the way to 124th on the money list - dangerously close to losing full-exempt status that goes to the top 125.

He credits this year's success to a decision to change putting grips. He experimented with "The Claw" grip at Pebble Beach in February, liked the results, and has putted better and better as the year has progressed.

Andrade comes into the Wachovia ranked third in putting.

"I'm not really a statistics guy, but I looked at my stats and my total rank in putting for my first 15 years was like 19 or

20," he said. "And the lst two years, my rank was 88 and 90-something.

"I started out the first week in San Diego and really putted lousy and missed the cut. I made the cut at the Hope but I finished like 50th. I took a week off and came back to Pebble Beach, and I said, 'You know, those greens are a little bumpy, and I have never putted well there, so if there's ever a place to try it, it's now.'"

The change brought dramatic improvement immediately.

Andrade finished 11th at Pebble Beach, with a third-round 63, and followed that up with a tie for 12th at Doral two weeks later, and a tie for 11th at the Honda three weeks later.

He comes into the Wachovia after a tie for second at Heritage and a tie for 13th at Houston in his last two tournaments.

"I've always tried different things," Andrade said. "One year, I won two weeks in a row putting like Fuzzy Zoeller. I won in Canada putting all bent over. I won in Vegas putting a different way. I've never putted just one way. So trying the Claw wasn't really a stretch.

"But I'm going to stick with it, because it's a lot of fun. I'm very comfortable with it. I'm not fighting it. I don't have any anxiety over the fact that I'm not getting the ball to the hole. It's been very peaceful."

He also insists that last year wasn't as bad as it appeared.

He couldn't make any putts, but otherwise it was a good year for ball-striking - and growing.

"It was a struggle, but it was probably the most-satisfying year of all my years, with my against the wall and having to go out there and suck it up and do it," Andrade said. "You know, if you play long enough, you're going to have yers where you get away with it and you don't do a very good job. I had some years where it looked good on paper, but in my heart I knew I got away with it. I played pretty well a couple weeks and it kinda put me over the edge, so to speak."

These truly are encouraging times for the fortysomethings on Tour.

Vijay Singh, 42, has won 11 tournaments in the past two years and is No. 2 in the world rankings, after being No. 1 much of last year. Joey Sindelar, 47, is the defending champion this week. Fred Funk, 39, won the Players Championship in March. Jay Haas, 51, has been a consistent contender for the past several years.

"Absolutely, I think I can win again," Andrade said. "If you don't really feel you can win any more, maybe you should try something else. I really feel I'm at a nice level right now, and seeing guys like Joey win here, and Fred Funk win the Players Championship, and Jay Haas having a two-or three-year stretch where he's played unbelievable golf, and of course Vijay, that all bodes well for guys over 40.

"I feel like I'm a young 41, and I feel like I've got a lot of golf left. I've had a nice career, but I still want to win. I want to win a lot more. I want to play on a Ryder Cup team. And all those things are still possible."

(Distributed by Scripps Howard News Service, www.shns.com.)

LOAD-DATE: May 5, 2005

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Copyright 2005 Seattle Post-Intelligencer
THE SEATTLE POST-INTELLIGENCER

May 4, 2005, Wednesday FINAL

SECTION: LIFE AND ARTS, Pg. D2

LENGTH: 508 words

HEADLINE: WIN-WIN WEEKENDS FOR VEGAS' WYNN HOTEL

BODY: The opening of the Wynn hotel in Las Vegas over the weekend attracted everyone from Liz Taylor to the Leonard Lauders. Add Connie Chung, Robert Wagner and Jill St. John, Natalie Cole, Donna Karan and dozens of other known names to the list. They arrived in so many private planes the overflow had to fly into nearby Hendersonville airport.

And as the New York Post so politely put it, this was the "older money" weekend. On May 7, the younger crowd - as in hot director Brett Ratner-will test the place.

So just what's so special about this $2.7 billion hotel? How about a forest, waterfalls, 18 restaurants, a Ferrari dealership and Dior, Chanel, Brioni, Vuitton and Cartier stores. Do shop in on your next Vegas trip.

Paris Hilton had a face-off with her wax replica at the New York Madame Tussaud museum this week. New York's Daily News reports, "The paraffin double seemed to mimic the hotel heiress' blank-eyed stare perfectly." Hilton, however, was not amused. "I'd like it to be in a pretty dress," she told a reporter. "And I'd cut the hair; it's too long."

Is there a wedding in the works for Justin Timberlake and Cameron Diaz? People reports it's set for next weekend in Southern France.

"Word of the upcoming nuptials apparently was leaked because one of Ozzy and Sharon Osbourne's aides told the British tabloid News of the World that the Osbournes wouldn't be able to attend daughter Kelly's gig in London next Saturday 'because they'll be in Nice for J.T.'s wedding.'"

The Grand-Hotel Du Cap Ferrat, supposedly the place where the couple met during a Cannes Film Festival, is fully booked the weekend the wedding is to take place. Timberlake's spokesman had no comment and Diaz's rep didn't respond to questions about this oh-so-vague event.

"For Angelina Jolie and Brad Pitt, happiness is a warm gun," reports The Associated Press. What? Jolie said she and Pitt learned to trust each other while training to be assassins for their film "Mr. and Mrs. Smith." Apparently, when there's a loaded gun at your back, you'd better be a quick study. "You have to trust each other to cross under or over and only move when the other person moves," she explained.

Jolie is being featured in the upcoming issue of Vanity Fair where she discusses her preference for a lover rather than a committed relationship. "I think women are much easier about having a lover than a man is, even," she said.

Goldie Hawn's memoir "A Lotus Grows in the Mud" is being released this week. But she's quick to note that it isn't a tell-all or a gossipfest about the entertainment industry. "I wrote it for anyone who is interested in transformation or transition or understanding that the lotus does grow in the mud," Hawn told AP. The title comes from a Tibetan monk she met. He used the lotus "as a symbol of the human spirit, and said it could only grow when faced with the challenges and obstacles of life."

The book chronicles her childhood, career, first marriage and longtime relationship with partner Kurt Russell.

- P-I

NOTES:
PEOPLE

GRAPHIC: Photos
(1) Cole(2) STUART RAMSON/AP: David Lauren, son of fashion designer Ralph Lauren, escorts presidential niece Lauren Bush to the gala opening of the Chanel exhibit at the Costume Institute of the Metropolitan Museum of Art in New York.

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Copyright 2005 Computer Information Network Inc.
The Sports Network

May 4, 2005 Wednesday

SECTION: Daily Racing Form - DRF (News Story)

LENGTH: 764 words

HEADLINE: Plenty of Derby parties on tap

BODY:

By DAVE TULEY (DRF) - Churchill Downs is the center of the horse racing universe this weekend with the 131st running of the Kentucky Derby and all of its ancillary pomp and circumstance.

But Las Vegas can lay claim to being the biggest party outside of Louisville, Ky., with all the festivities it has tied to Derby Weekend. In fact, there's almost too much going on, as even the most devout fan can't be two or three places at the same time.

At noon Friday, Richard Eng - turf editor of the Las Vegas Review-Journal, host of the Raceday Las Vegas Wrap-up Show, and contributor to Daily Racing Form - will be signing copies of his new book, "Betting on Horse Racing for Dummies" at the Gambler's Book Shop at 11th Street and Charleston. Anyone buying a copy ($19.99) will receive a coupon for a free T-shirt at the Plaza casino downtown and also a one-day clubhouse pass for the current Hollywood Park meet.

During the day Friday, bettors can advance wager on the Derby at all race books, but it's also Kentucky Oaks Day for the fillies, and two casinos are celebrating Ladies Day. At the Imperial Palace, all "fillies" making $30 in Oaks wagers will receive an officially licensed hat and T-shirt set. Up the Strip at the New Frontier, all customers (male and female) making a $20 wager on the Oaks, which has a post time of 2:45 p.m. in Vegas, will get a Kentucky Oaks commemorative glass.

The two Winchell's Pub & Grills in town - one at 10620 Eastern Ave. in Henderson and the other at 5445 Simmons St. in North Las Vegas - will be rocking for the Oaks as owner Ron Winchell's Summerly is the co-third choice with Runway Model at 6-1 on the Oaks morning line, behind Sis City and In the Gold. Last year, Winchell owned the ninth-place finisher in the Derby, Tapit, who was the Wood Memorial winner.

The festivities pick up intensity on Friday night with three handicapping seminars.

Jason Levin, host of the "Inside Racing" and "Thoroughbred Weekend" radio shows, and author of the 2002 book "From the Desert to the Derby," will be hosting a seminar at the Hard Rock race book at 6 p.m.

On the north end of the Strip, Stratosphere race book host Jay Kessler and handicapper Jerry Jacovitz of Jerry J's Power Page will hold a seminar at 6:30 p.m. Free refreshments will be served starting at 6 p.m.

On the east end of town, the "Track Talk" radio crew of Gordon Jones, Patrick McQuiggan, and John Kelly will host a seminar in the Sam's Town race book at 7 p.m., along with Gulfstream Park TV analyst and Jones's daughter, Joanne Jones.

The Derby talk will be flooding the radio airwaves on Saturday morning. The "Track Talk" group will return to the air at 7:30 a.m. on KLAV AM-1340. The other must-hear radio for racing fans is the "Raceday Las Vegas" show with Ralph Siraco at 8:05 a.m. on KSHP AM-1400.

Levin will also be broadcasting from the Hard Rock, and he will not be the only out-of-town radio personality originating from Las Vegas on Saturday morning. Felix Taverna of KOGO AM-600 in San Diego will host his show from the Caesars Palace race book at 7 a.m. At 9 a.m., Caesars will also host a handicapping seminar with clocker Toby Turrell, workout analyst Bruno DeJulio, and handicapper Larry Zip.

Siraco, after his radio gig, will hold a seminar with Jon Lindo at 9:30 a.m. in the Mardi Gras Ballroom at the Orleans.

The Orleans is the site of the biggest annual Derby party in Las Vegas and the Mardi Gras ballroom is sure to be packed. Tickets can be picked up in the Orleans race book, and include free hot dogs, soda, and beer, plus tickets for T-shirts to be given away at 1 p.m. In the race book, Derby T-shirts or mint julep glasses will be given away with a $20 wager. Similar parties are also being held at the other Coast Casinos properties, in ballrooms at the Gold Coast and Suncoast, and in the race book at the Barbary Coast.

Most of the race books in town also will be giving away souvenirs with wagers of $20 or more on the Derby, including but not limited to the Palms (cap), Las Vegas Hilton (glass), Imperial Palace (glass), New Frontier (glass), Arizona Charlie's East and West (T-shirt), and Jerry's Nugget (T-shirt).

Big parties are also being thrown in separate ballrooms at the Aladdin and at Bally's. The Bally's soiree is a VIP party, but $100 tickets are available to the public for those who want a more upscale all-you-can-eat buffet, including carving stations, and an open bar.

All in all, there's something for anyone wishing to enjoy the sights and sounds of Kentucky Derby 131.

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Copyright 2005 Star Tribune
Star Tribune (Minneapolis, MN)

May 4, 2005, Wednesday, Metro Edition

SECTION: VARIETY; Pg. 2E

LENGTH: 557 words

HEADLINE: Site dangles bags by the month

BYLINE: Susie Eaton Hopper; Staff Writer

BODY:

For those who want designer handbags but either don't have the cash or don't want to spend it for a short-lived passion, Kara Richter has an answer. Her company rents purses in more than 170 styles from Chanel, Prada, Cole Haan, Coach and more, on the Internet, at frombagstoriches.com. Arranged into five collections, the bags cost from $19.95 to $179.95 a month (plus shipping). There are also discount programs and home purse parties. The company, based in Forest Lake, started the site last fall.

Where did you get the Internet rent-a-bag idea?

I was looking for a business idea and I wanted to do something with fashion without having to commit to a retail store. We liked Internet ideas and borrowing online - like golf clubs - people don't want to keep the same thing forever.

How does it work?

The customer goes to the site and shops by collection. She makes her choice and we ship it to her in from one to three business days. It's a simple process. We tell her when it will arrive and send a reminder when it's been a month.

Who is your customer?

The Marshall Field's shopper, middle income, age 25-45; people who want to be able to have a variety of designer things who can't justify the cost or who get bored with the bag. We are starting to get more women from 50 to mid-50s. Bags are not cut for any particular body style, so anybody can carry any style.

Does the customer ask for your advice?

She's asked what would be best for going to Vegas or Atlantis (resort) on a company trip. I suggest trying something completely new or different. Take that step. I urge them to go outside their comfort zone. If you usually only carry small bags, go big.

How did you decide what lines to put in your collections?

We wanted the customer to have the ability to carry brands they see celebs buy or they see in Harper's Bazaar or Vogue. Some brands needed to be there - Gucci, Fendi - they are the standards. Now, we're looking more at newer lines like Luella and Tanner Krolle.

Which bag is your personal favorite? And which is your favorite on the site?

It was a Bulgari with the name written all over it and it was in "Sex and the City." I pick purses that stand out. The Bottega Veneta is my favorite on the site. The leather is like butter.

What happens to the bags once they are no longer suitable for renting?

They have about a six-month lifetime. Then we make them available to customers at a substantial discount or consign them.

Who cleans and repairs your handbags?

We work with St. Croix Falls Cobbler Shop (102 S. Washington St., St. Croix Falls, Wis., 1-715-483-5798) on leather and Brighton Cleaners (4535 Hodgson Rd, Shoreview, 651-482-9088) on our cloth bags.

How do you feel about the controversy over fake designer bags, since you authenticate your bags?

We need to come down with copyright infringements. People who buy them are politically incorrect. They are part of the problem. It's an ethical choice that some people are not making the right decision on.

Do you have advice for the woman who wants a bag that will last?

You get what you pay for. There are great values in the $150-$300 range. Look for a pebbled surface, a moc croc, not a shiny surface. Stay away from light-colored linings.

Susie Eaton Hopper is at shopper@startribune.com.

GRAPHIC: PHOTO

LOAD-DATE: May 4, 2005

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Copyright 2005 Sun-Sentinel Company
Sun-Sentinel (Fort Lauderdale, FL)

May 4, 2005 Wednesday Broward Metro Edition

SECTION: SPORTS; Pg. 1C

LENGTH: 1553 words

HEADLINE: VEGAS WAITING IN WINGS;
DESERT MAY BE ABLE TO SATISFY A TEAM'S WANDERLUST.

BYLINE: Mike Berardino Staff writer

DATELINE: LAS VEGAS

BODY:

Late in the 2003 season, during a difficult road trip, Marlins owner Jeffrey Loria commandeered the intercom on a cross-country flight from San Francisco to Pittsburgh and announced a change in itinerary.

"We're heading to **Vegas,**" he said as the team charter filled with cheers.

With Friday's deadline looming to get the Marlins' latest stadium proposal passed in Tallahassee, South Florida's baseball diehards can't help but fret. If the Orange Bowl plan gets shot down, could Loria again divert his franchise to the desert, this time for good?

On the surface it seems possible, especially when you consider two high-ranking Marlins officials met with Las Vegas city officials in December. What was supposed to be a secret meeting reached the public's attention, and with that leak came a fresh round of speculation.

It also increased optimism among the cadre of baseball people who make their offseason homes in Las Vegas, among them Cubs pitcher Greg Maddux, White Sox slugger Frank Thomas, Yankees first baseman Jason Giambi, Mets hitting coach Rick Down and former managers Russ Nixon and Dick Williams.

"I'd love for them to get a team," says Maddux, a product of **Vegas'** Valley High and a member of the Southern Nevada Sports Hall of Fame. "I live there. It would be kind of cool to be able to take my kid to some games [after retirement] and not get on a plane to do it."

Las Vegas Mayor Oscar Goodman has made no secret of his interest in luring a major league franchise to his booming city. He even has multiple downtown sites in mind for a possible stadium.

With its metropolitan population of 1.6 million, according to 2003 estimates, Las Vegas isn't just one of the fastest-growing cities on the continent. It has become a magnet for sporting events, hosting regular stops on the PGA, NASCAR, boxing, motocross and bull-riding circuits.

The Triple-A 51s, the top farm team of the Los Angeles Dodgers, play at 9,334-seat Cashman Field. However, the Pacific Coast League entry has averaged just 4,486 fans a game over the previous three seasons, ranking it 25th out of 30 Triple-A teams.

In addition, the Gladiators of the Arena Football League and Wranglers of the East Coast Hockey League call the Orleans Arena home.

"I think they could support a baseball team right now," says White Sox outfielder Aaron Rowand, another **Vegas** product. "I say that because of the market and the way the city's grown so much the last five years. Prior to that they wouldn't have had the hometown fan base to support a major league team."

According to the U.S. Census Bureau, just three metropolitan areas larger than Las Vegas lack a major sports franchise.

Riverside-San Bernardino-Ontario in Southern California ranks 14th; the Providence, R.I., area ranks 32nd; and the greater Norfolk, Va., area is one spot behind.

Las Vegas was the 36th-largest Metropolitan Statistical Area in 2000. However, with 60,000 new residents each year, it could rank much higher in the next census.

UNLV basketball hasn't been the same since renegade coach Jerry Tarkanian was forced out in the early 1990s, with average attendance at the Thomas & Mack Center dropping below 12,000 in recent seasons.

Nevertheless, Sin City seems to grow closer by the year to its goal of luring one of the four major sports. In the meantime, city officials are bidding for the 2007 NBA All-Star weekend, and early indications are positive.

The Oakland A's investigated the area several years back, but baseball was still adamant about blocking franchises from moving. Now that the Montreal Expos have moved to Washington, D.C., baseball's three-decade-plus streak of franchise stability is over.

And with it, the possibilities for putting a team in **Vegas** seem to have improved exponentially.

Main attraction?

It's 9 p.m. on a Tuesday night on Las Vegas Boulevard, and Mike Albertson is waiting for the water show.

The famed Fountains of Bellagio are due to roar back to life any moment now, accompanied by the music of Elton John or Frank Sinatra. Albertson's wife Stacey and their two pre-teen children stand nearby, the kids swapping turns on a handheld video game.

A question is posed: What if **Vegas** had a big-league baseball team? Would this family from Houston be interested in attending a ballgame?

"If the timing was right, sure," Mike Albertson, 42, says. "But back home we can see baseball anytime we want. Plus, this is our first time in **Vegas**."

They attend 12 to 15 Astros games a year, so the attraction of a ballgame might be greater in someplace like Phoenix or Denver. But it is not as alluring here in the land of 24-hour sensory overload.

"In a place like this, with so much to do, it would be hard to get the family fired up to go see a baseball game," Albertson says.

A short walk up the Strip, Joe Massione stands in front of The Mirage awaiting the next simulated volcanic eruption. An art designer from St. Paul, he seems happy to escape freezing temperatures.

How would big-league baseball rank on his list of options?

"Not very high," admits Massione, 51. "If it was NASCAR, then I'd be interested. But if they had a ball team, I wouldn't go, not with so much going on. I could stay home and go to a ballgame."

Yes, but that would be at the depressing Metrodome. A big-league team in **Vegas** almost certainly would play in a $500 million jewel with a retractable dome to shield fans from triple-digit heat.

"I wouldn't be surprised to see one of these big hotels buy a team," Massione says.

The volcano "erupts." Flamethrowers light up the night sky. Gentle applause follows the brief exhibition.

Here come Lenny Hryciuk and his wife Stacey, too late for this show but more than willing to wait another 15 minutes for the next one. The couple from Alberta, Canada, often drives two hours to see Triple-A games in Edmonton, so they might be willing to catch a big-league game in **Vegas**.

"If you're already here, eh, it wouldn't be hard at all to go see the game," says Lenny, a 40-year-old oil-field worker with a thick white mustache.

Adds his wife: "It's a good break from gambling."

The biggest on-street crowd is another couple hundred yards down Las Vegas Boulevard. Here at the Sirens of Treasure Island, they run four free shows nightly, complete with mock pirate-ship battles.

As the crowd disperses from the final show, Howard and Doris Feist of Milwaukee admit they couldn't see a big-league team thriving in Vegas.

"I would worry about hometown loyalty," says Howard, 76. "I don't know if they've got any hometown loyalty out here."

Vegas attracts nearly 37 million annual visitors, with only 5 percent claiming they come mainly to gamble. Wouldn't they be eager to leave behind the keno sheets, free cocktails and $4.99 lobster feasts for a few hours at the ballpark?

"Would we go?" Feist says. "I doubt it."

More than gambling

Those who know Vegas best insist the city, after burning through 39 franchises in five sports since 1947, has matured to the point where it can support a major league team.

Rowand regaled his teammates one morning at spring training with tales from the Las Vegas Outlaws of the short-lived XFL. A half-dozen White Sox gathered around his locker and listened as he told them how you couldn't go anywhere in town without seeing Outlaws merchandise.

Home crowds averaged 23,000 for Vince McMahon's short-lived startup. Just imagine how it would be, Rowand says, should Vegas take that next step.

"I think eventually they'll probably end up getting a team," he says. "The city is growing so fast. It's tough to try to deny a team to a city that has that many people. Hopefully, it will happen within the next five to 10 years."

And while casinos and sports books will always be the driving force behind the city's economy, that ratio is steadily dropping as less-controversial activities clamor for attention. Yes, the city's tourism board has made, "What happens in Vegas stays in Vegas" part of a national advertising campaign, but that's just a wink-wink response to those who would say Vegas has become too much like Disney.

"It has both the family element and the adult entertainment aspect, too," says the Mets' Down, who was UNLV's baseball coach from 1979-84. "It has both ends of the spectrum. As parents, you bring your kids, you can go to a theme park, you can go to a zoo, you can go to a water park and you've got roller coasters of every size and variety. There's everything there for anybody, and it would be a great place to go."

In other words, there's more to Vegas than gambling. If baseball or any other major league sport is to roll the dice and set up shop in the desert, league officials must buy into that concept.

The casinos also would have to cooperate and refuse bets on games involving the hometown team, if not the entire sport.

"There's always been more to Vegas than [gambling]," Maddux says. "Obviously the gaming industry has always been the main draw, but living there, you kind of get the best of both worlds. I guess it's like the people that live next to Disneyland, you know?"

Maddux smirks.

"Plus, I think they'd have a nice home-field advantage," he adds. "Probably be a little bit better rested than the visiting team."

Mike Berardino can be reached at mberardino@sun-sentinel.com.

GRAPHIC: PHOTO; POLITICKING: Las Vegas Mayor Oscar Goodman, right, is accompanied by showgirls as he greets former Dodgers manager Tommy Lasorda during the winter meetings in December. AP file photo

LOAD-DATE: May 4, 2005

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UPI

May 4, 2005 Wednesday 5:45 PM EST

LENGTH: 620 words

HEADLINE: UPI NewsTrack Quirks in the News

BODY:

'Grandpa Gang' on trial for bank heists

HAGEN, Germany, May 4 (UPI) — Three German men known as the "Grandpa Gang" are on trial for 14 bank robberies that netted more than $1 million over 16 years.

The men, ranging in age from 64 to 73, are the oldest known robbers in German history and face up to 15 years in prison if found guilty.

Two of the three have admitted to the heists. One of them, Rudolf Richter, had been running a successful motor shop at the time and testified he became involved as payback for being falsely imprisoned in 1969 for a bank robbery, the BBC reported.

"I was an idiot — I didn't need to do it," Richter said.

A second defendant, Wilfried Ackermann said he had already spent 40 years in prison for previous misdemeanors.

The trio were nabbed last year acting on a tip from an informant and about $500,000 was recovered.

However, their police booking took longer than usual, The Scotsman reported.

"They had to be read their rights twice — two of them have hearing aids and the batteries were low," a police spokesman said.

A verdict is expected in June.

Man loses ear in theft of cell phone

JOHANNESBURG, South Africa, May 4 (UPI) — A South African thief who stole a cell phone from a car driver can only use it on one side of his head, as the owner tore off one of his ears in a scuffle.

Johannesburg police said the thief approached a stopped car and smashed the driver's window in an effort to snatch the phone from the man's hand.

He got more than he bargained for when the unidentified driver lunged from the vehicle and began wrestling with him. The driver grabbed the suspect's ear just as he bolted, leaving the ear behind.

The driver took the evidence to a police station and officers sent it to the government mortuary for examination and DNA collection to aid investigators, the BBC said.

"Perhaps the public can also help by looking around for someone walking around with one ear," a police spokesman told The Citizen newspaper.

Toddler rescued from under moving truck

NEW YORK, May 4 (UPI) — A 2-year-old boy's Brooklyn neighbors rescued him in the nick of time as a flat-bed truck threatened to crush him as it backed up.

"My baby! My baby! Stop the truck!" screamed Monica Ramsey, 20, as her son Dontae Prescott disappeared under the back of the vehicle on Boerum Hill in New York, the New York Daily News reported.

Two nearby mothers dived under the truck to pull Dontae from danger as another passerby signaled the driver to stop.

"The truck, it hit my head. I want ice cream — chocolate," the toddler said as soon as he reached safety.

British 'poker tourist' wins big in Vegas

STOKE-ON-TRENT, England, May 4 (UPI) — Second place is good enough for a 48-year-old Englishman, who plans to retire after winning $1.7 million in the World Poker Tour Championship in Las Vegas.

Paul Maxfield told The Independent although he's had some big wins at the card table before, they were nothing compared with the week-long event at the Bellagio Hotel.

He paid $1,750 to play in the all-night qualifying competition last week, and surprised himself by earning the right to compete with 450 others in the competition itself, advancing through the 100 finalists to ultimately face Vietnamese-American player Tuan Le, with whom he played a dramatic eight-hour final.

Le went on to clinch the $2.8 million title, but Maxfield isn't complaining.

Maxfield, who has two children and is divorced, employs 25 people who make drying equipment for the pharmaceutical industry. He's been at it since 1980, but no more.

Maxfield said his winnings will buy a "Mercedes, not a Ferrari" and said he's leaving the pharmaceutical industry.

"I'm going to pay off my mortgage and retire — which isn't bad for 48," he said.

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Copyright 2005 Winston-Salem Journal
Winston-Salem Journal (Winston Salem, NC)

May 4, 2005 Wednesday, METRO EDITION

SECTION: C; John Delong; Pg. 1

LENGTH: 958 words

HEADLINE: JUST 41 YEARS YOUNG
ANDRADE SAYS CHANGE IN HIS GRIP HAS GIVEN HIM NEW LIFE ON TOUR

DATELINE: CHARLOTTE

BODY:

It's hard to fathom that Billy Andrade has joined the forty-something crowd, and it's even harder to tell it by looking at him.

Andrade doesn't look as if he has aged much at all since the late 1980s when he was a three-time All-America golfer at Wake Forest.

The fact is, though, he turned 41 in January, and he is very aware of it.

"I'm old," Andrade said with a chuckle yesterday.

The comforting news is, old doesn't necessarily mean over the hill on the PGA Tour.

Andrade is living proof. He's in the midst of a career rejuvenation of sorts, playing his best golf in several years.

Entering this week's Wachovia Championship at Quail Hollow, he ranks 35th on the money list with $820,745 in official winnings - with four Top 25-finishes and a tie for second at the Heritage to his credit.

It's the continuation of turnaround that started after he hit 40 last year, and it has him in a positive frame of mind as he prepares for Thursday's opening round.

"I haven't had a start like this in a long time, and that's nice to see," Andrade said. "I've hit the ball from tee to green nicely in the past year, and now I'm making some putts, so I'm a lot more confident with my whole game. I'm looking forward to this week. This is a tournament where you can't fake it around here, you have to hit a lot of good golf shots and you have to play well. So I'm anxious to see if I can get it going this week."

Andrade, who teamed with Len Mattiace to lead the Deacons to the 1986 NCAA golf title, has career winnings of more than $10.25 million in 18 years on the Tour. In his best year, 1991, he finished 14th on the money list. He has four Tour victories, the most recent coming at Las Vegas in 2000.

He seemed to be headed in the wrong direction not that long ago. First he dropped to 97th on the money list in 2003 with no wins and three top-ten finishes. Then last year, he had only one top-ten finish and fell all the way to 124th on the money list - dangerously close to losing full-exempt status that goes to the top 125.

He credits his success to a change in putting grips. He experimented with "The Claw" grip at Pebble Beach in February, liked the results, and has putted better and better as the year has progressed.

Andrade enters the Wachovia ranked third in putting. "I'm not really a statistics guy, but I looked at my stats and my total rank in putting for my first 15 years was like 19 or 20," he said. "And the first two years, my rank was 88 and 90-something.

"I started out the first week in San Diego and really putted lousy and missed the cut. I made the cut at the Hope but I finished, like, 50th. I took a week off and came back to Pebble Beach, and I said, 'You know, those greens are a little bumpy, and I have never putted well there, so if there's ever a place to try it, it's now.'"

The change brought dramatic improvement immediately. He was 11th at Pebble Beach, with a third-round 63. He tied for 12th at Doral two weeks later and tied for 11th at the Honda three weeks later. He comes into the Wachovia after a tie for second at Heritage and a tie for 13th at Houston in his past two tournaments.

"I've always tried different things," Andrade said. "One year, I won two weeks in a row putting like Fuzzy Zoeller. I won in Canada putting all bent over. I won in Vegas putting a different way. I've never putted just one way. So trying 'The Claw' wasn't really a stretch.

"But I'm going to stick with it, because it's a lot of fun. I'm very comfortable with it. I'm not fighting it. I don't have any anxiety over the fact that I'm not getting the ball to the hole. It's been very peaceful."

He also said that last year wasn't as bad as it appeared. He couldn't make any putts, but otherwise it was a good year for ball striking - and growing.

"It was a struggle, but it was probably the most satisfying year of all my years, with my back against the wall and having to go out there and suck it up and do it," he said. "You know, if you play long enough, you're going to have years where you get away with it and you don't do a very good job. I had some years where it looked good on paper, but in my heart I knew I got away with it. I played pretty well a couple weeks and it kinda put me over the edge, so to speak.

"But last year I played great. I didn't putt very well, but I was much more into it. I just couldn't get the results. That put me in a very difficult situation, and coming down the stretch I knew what I had to do, and I did. I survived. And I got more satisfaction out of that than some of those years I finished 40th or 50th on the money list."

He is convinced he can still win, and not just because of his runner-up finish in the Heritage last month.

These are encouraging times for the forty-somethings on Tour.

Vijay Singh, 42, has won 11 tournaments in the past two years and is No. 2 in the world rankings, after being No. 1 much of last year. Joey Sindelar, 47, is the defending champion this week. Fred Funk, 39, won the Players Championship in March. Jay Haas, 51, has been a consistent contender for the past several years.

"Absolutely, I think I can win again," Andrade said. "If you don't really feel you can win any more, maybe you should try something else. I really feel I'm at a nice level right now, and seeing guys like Joey win here, and Fred Funk win the Players Championship, and Jay Haas having a two-or three-year stretch where he's played unbelievable golf, and of course Vijay, that all bodes well for guys over 40.

"I feel like I'm a young 41, and I feel like I've got a lot of golf left. I've had a nice career, but I still want to win. I want to win a lot more. I want to play on a Ryder Cup team. And all those things are still possible."

GRAPHIC: AP FILE PHOTO , Billy Andrade, here making a birdie putt in 2003, has switched to The Claw grip and is having a good season.

LOAD-DATE: May 5, 2005

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May 3, 2005, Tuesday, BC cycle

SECTION: Travel News

LENGTH: 484 words

HEADLINE: CYBERTRIPS: Warm up your mouse and plan a trip for Las Vegas' 100th birthday

BYLINE: By ROGER PETTERSON, Associated Press Writer

BODY:

You'd hardly know it to look at the place, but Las Vegas claims to be 100 years old this year. Why not plan a little vacation trip to help them celebrate?

The big day is May 15, and you can learn more by going to the city's official Web site - http://www.visitlasvegas.com/ - and clicking on the red Centennial button. Next, go back to the main page and hit "Special Offers" to see what sort of hotel deal you can put together for the dates of your stay. If nothing grabs your fancy there, go to "Stay" for links to all the hotels, and check the maps to see where everything is located.

Once you've got the preliminaries out of the way, you need to click on "Play" for guides to the casinos, golf courses, shows, nightclubs and dining. Celine Dion is at Caesars Palace, Cirque du Soleil has a couple of shows around town, Reba McEntire and Kenny Chesney have dates coming up in June at the Mandalay Bay and Elton John is on the calendar in July at Caesars Palace.

Shop around to see if you can find any other hotel deals that fit your schedule and budget at Vegas.com - http://www.vegas.com/ - which also advertises airline-plus-hotel combo packages. They'd like to have your business for booking everything from limos to Grand Canyon tours to golf course tee times. And yes, you can get married in Vegas; click on "Weddings" for links to chapels, caterers, florists, photographers and jewelers.

About Las Vegas - http://aboutlv.com/ - claims to be the "guide to everything you should know" about the city, so take a look at their guide to The Strip, transportation around the city and local attractions, including day trips, thrill rides and free things to do. For travelers thinking of taking the under-age crowd, be sure to consult their "Las Vegas for Kids."

If you can tear yourself away from the casinos, a trip to Vegas isn't complete without seeing the Hoover Dam - http://www.usbr.gov/lc/hooverdam/ - the giant plug in the Colorado River that supplies electricity to the city and holds back Lake Mead. Check out "Tour Information" for essentials, including directions. The Lake Mead National Recreation Area - http://www.nps.gov/lame/index.htm - has information on what you do on and around all that water behind the dam.

For something a little more unusual than a big lake, point your rental car westward to Death Valley National Park - http://www.nps.gov/deva/ - but be sure to click on "Plan Your Visit" to get an idea of what the weather extremes are like.

If you need any more details on things to do outside the casinos, the Chamber of Commerce - http://www.lvchamber.com/visit/index.hı has links to helicopter tour companies, restaurants (who knew Vegas had a Hofbrauhaus?), and other points of interest including Valley of Fire State Park.

The state Commission on Tourism - http://www.travelnevada.com/ - has more ideas for extended trips around the region.

GRAPHIC: AP Graphic With CYBERTRIPS Logo

LOAD-DATE: May 4, 2005

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Copyright 2005 Business Wire, Inc.
Business Wire

May 3, 2005 Tuesday 9:12 PM GMT

DISTRIBUTION: Photo Desks; Business Editors; Wine Writers

LENGTH: 417 words

HEADLINE: BV Rolls out Vineyard to Vegas Tour; National Tour & Charity Drive Joins the Road to Vegas Concert Tour

DATELINE: NAPA, Calif. May 3, 2005

BODY:

Historic Napa vintner Beaulieu Vineyard will take the winery on the road this summer in a big, red, BV branded tour bus. In benefits across the country, co-sponsored by local radio stations, the BV Vineyard to Vegas tour will host competitive team grape stomping for charity, opportunities to win trips to the Las Vegas 100th Birthday Bash, Collective Soul concert tickets, wine tasting and interactive wine education games.

As an official sponsor of the Las Vegas Centennial, the BV Vineyard to Vegas Tour will parallel the Road to Vegas Tour, a 10 city concert series with multi-platinum rock group Collective Soul. Beginning in San Francisco on May 27, the BV Vineyard to Vegas tour bus will travel to Los Angeles, Phoenix, Houston, Ft. Lauderdale, Washington DC, Philadelphia, New York City, Chicago and Atlanta, visiting many cities in between, before arriving in Las Vegas on July 2, in time for the official Las Vegas 100th Birthday Bash.

"For over 100 years, we have been making wine for presidents, princes and pop stars, so BV is the perfect wine to celebrate a centennial," enthused BV winemaker Joel Aiken. "Our goal is to bring our passion for wine and the sights, sips and smells of a Napa harvest to people across the country. We plan to visit 25 states in a month, and to benefit some really worthy causes, so keep your eyes peeled for the Big Red BV Bus!"

For more information about the BV Vineyard to Vegas Tour and to monitor the Big Red BV Bus's progress, log on to www.BvinVegas.com. For more information about the Road to Vegas concert series, log on to www.roadtovegas100.com.

Beaulieu Vineyard wines are produced by Diageo Chateau & Estate Wines, which is part of Diageo, the world's leading premium drinks business. DC&E also produces and markets Sterling Vineyards, the wines of the Chalone group, Sterling Vintner's Collection, Solaris, and Blossom Hill, as well as the French wines of Barton & Guestier. DC&E is also a leading importer of classified Bordeaux in the U.S. and F.E. Trimbach wines from Alsace. A collection of Burgundy estate-bottled wines and several other fine European wines complement the selection. Diageo's broader business includes Smirnoff Vodkas and flavored malt beverages, Guinness, Bailey's Irish Cream, Crown Royal, and Captain Morgan Original Spiced Rum, as well as many other of the world's leading premium drinks brands. Please enjoy our quality responsibly.

CONTACT: Diageo Chateau & Estates Wines Philippa Jones, 707-299-2618 philippa.jones@diageo.com

URL: http://www.businesswire.com

GRAPHIC:

LOAD-DATE: May 4, 2005

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CNN

SHOW: CNN DAYBREAK 5:00 AM EST

May 3, 2005 Tuesday

TRANSCRIPT: 050303CN.V73

SECTION: NEWS; Domestic

LENGTH: 3172 words

HEADLINE: BTK Suspect in Court Today; 'Jessica's Law'; Wild Horses

BYLINE: Carol Costello, Jonathan Freed, Bill Hemmer, Soledad O'Brien, Chad Myers

GUESTS: Marc Caputo, Tex Hall

HIGHLIGHT:

The man suspected of being the BTK killer is expected back in court today, but this time he will finally have to enter a plea in the case.

BODY:

CAROL COSTELLO, CNN ANCHOR: And good morning to you. From the Time Warner center in New York, I'm Carol Costello, along with Chad Myers.

"Now in the News."

In Iraq this morning, the U.S. military has found the body of a pilot from one of two missing Marine fighter jets. The search goes on for the second pilot. Military sources tell CNN they believe the jets collided in midair in bad weather.

Another step forward for Iraq. The new Iraqi government is expected to complete the naming of outstanding ministry posts this morning. After that, the new government will be officially sworn in.

Jury selection begins today in the sentencing phase of the Lynndie England trial. The Army reservist entered a guilty plea for her part in the Abu Ghraib prison abuse scandal. CNN has learned that she could face as few as two years in prison.

To the forecast center now.

(WEATHER REPORT)

COSTELLO: The man suspected of being the BTK killer is expected back in court today, but this time he will finally have to enter a plea in the case.

CNN's Jonathan Freed is in Wichita. He joins us live now.

Good morning — Jonathan.

JONATHAN FREED, CNN CORRESPONDENT: Good morning, Carol.

That's right, the people of Wichita, Kansas, are really hoping to find out this morning if that man accused of being the BTK serial killer is going to go to trial, plead guilty or plead no contest.

Now, Dennis Rader is charged with 10 counts of first-degree murder in this case that spans 30 years. Not very much is known about the case against Rader, Carol, partly because the court filings since his arrest in late February had been sealed, mostly at the request of the district attorney.

Late last week, though, after news organizations challenged the need for the secrecy in court, the judge unsealed some of the documents, including a list of more than 200 prosecution witnesses. But the probable cause affidavit, which is the document that outlines why the authorities believe that Dennis Rader is BTK and went ahead with that arrest, that remains sealed by law.

Now, Rader is a 60-year-old former city compliance officer and dog catcher in a Wichita suburb. And that's called Park City. And, again, he is charged with 10 counts of first-degree murder.

From 1974 to 1991, the BTK strangler struck fear in this city with a series of killings, and most of those victims were women — Carol.

COSTELLO: A question about the witness list, those 200 people. Anybody really interesting on it, intriguing?

FREED: Well, mostly people that you would expect. Some of the testimony, it has been so long. Some of the people have actually passed away, and they have their testimony recorded by other means. A number of people that are expected to be called include some local reporters here in town, because part of the BTK's MO over the years was to send those messages to the media. So, the media was really intimately involved in the story without trying to become part of the story. It's been a very delicate balancing act for local media, both print and broadcast, over the last 30 years.

COSTELLO: It should be interesting later today. Jonathan Freed live in Wichita this morning.

It's called Jessica's Law, and it is designed to prevent other children from dying like she did. It is one of the most aggressive laws in the country when it comes to monitoring convicted child molesters. It requires satellite tracking devices to be worn for life.

(BEGIN VIDEO CLIP)

GOV. JEB BUSH (R), FLORIDA: Florida has some of the toughest laws in the country as it relates to sexual predators and sexual offenders. And this bill will make our laws even tougher. And I think it is right and just that that is the case.

(END VIDEO CLIP)

COSTELLO: That law signed by Jeb Bush in Florida.

We want to know more about this law named after Jessica Lunsford who was allegedly kidnapped and killed by a known sex offender.

Live from Tallahassee, Marc Caputo from the "Miami Herald."

Good morning, Marc.

MARC CAPUTO, "MIAMI HERALD": Good morning, Carol. How are you?

COSTELLO: I'm fine. Thanks for joining us.

This law goes into effect in September. Is it retroactive? Are they going to put these tracking devices on every sex offender out there in Florida?

CAPUTO: Well, no, it's not retroactive. Lawmakers said that that might have been unconstitutional. And it probably would have broken the bank. I understand Florida has 30,000 registered sex offenders, although this wouldn't apply to all sex offenders. Mainly it's the predators that they're really after, and the predators are those who commit very violent crimes, crimes against children.

COSTELLO: How much is this going to cost exactly? You've mentioned it's going to be quite expensive.

CAPUTO: Well, for what it is now, they're looking at about $15 million a year once everything is ramped up. And, again, most of that cost is just to purchase and maintain satellite tracking devices, the global positioning system devices that are to be worn.

COSTELLO: So, these satellite tracking devices, offenders are going to wear them around their ankle. Can't they take

them off?

CAPUTO: Well, they can. However, there will be an alert that kind of goes into Sex Offender Central if it happens. And the offender would then be charged with a third-degree felony and likely then would just be locked away for the rest of his life. So, he would have to obviously think about doing that before actually committing it, because now it will be a new crime.

The law makes a variety of other things a crime, specifically relating to the Jessica Lunsford Act would require probation officials to check sex offender registry — again, there's 30,000 people on it — to make sure that the person that's on probation is not a sex offender. The probation officer didn't do that in Couey's case, and some say, well, perhaps he could have been caught had they realized that he was a sex offender and in the area.

COSTELLO: Marc, is the law being legally challenged at all?

CAPUTO: Not right now. The ACLU has been pretty muted. Usually, if there's a constitutional flaw, you'll hear from them. But, you know, this was proposed and passed very quickly in this legislative session, because not only did you have Jessica Lunsford disappear and wind up dead, but also Sarah Lunde. They both are from the greater Tampa Bay area, and they both happened within days of each other. This was right after the Terri Schiavo case.

So, the legislature was already a little spooked out and wanted to get to work. And, as you said, this law was act was signed into law yesterday, and there's only about four days left in the lawmaking session. And lawmakers said they really didn't need to do anything more.

COSTELLO: Marc Caputo from the "Miami Herald" joining us this morning. Thank you.

Still to come on DAYBREAK, the fight to find safe homes for wild horses. We'll look at why it's causing the government so much grief.

But first, here's a look at what else is making news this Tuesday morning.

COSTELLO: Mixed markets right now around the world. Tokyo's Nikkei down more than 6 points, the London FTSE up nearly 53 — actually up nearly 54 points, and the German DAX is up around 12.5.

Florida's move against sex offenders has us all wondering how far we need to go to protect our children. We just talked about Jessica's Law in Florida. "AMERICAN MORNING" will have more on this story.

Bill Hemmer joins us now for more.

Good morning.

BILL HEMMER, CNN ANCHOR: Carol, good morning to you.

Governor Bush, again, signing that into law yesterday. What does the state now have to do to make sure it actually keeps kids safe there? And Florida, really, Carol, as you know, has been in the spotlight now for months. We'll talk to victims' advocate Marc Klaas about this. The key word in this entire story, Carol, is "enforcement." How do the authorities do it in Florida? So, we'll talk to Klaas about that this morning.

Also, a rather unlikely alliance between McDonald's and a famous diet expert. Dr. Dean Ornish (ph) joins us today, telling us why he's teaming up with the golden arches. Apparently, he wants fries with that. But everyone is not so convinced about the health effects here, so we'll try and pick his brain a little bit about what he's hearing. You know, so often we hear now about these fast food restaurants going to a healthier fare and a healthier menu. And McDonald's is trying to do it. You hear a few others out there, too. So, we'll see if anyone is paying attention on the consumer end. I would hit the salad bar and be done with it.

COSTELLO: I know. You order the apples at McDonald's or the fries.

HEMMER: What's that again?

COSTELLO: Well, you order the apples at McDonald's because, you know, they're now offering apples you can dip in caramel sauce.

HEMMER: Yes.

COSTELLO: Or do you order the fries that you can dip in ketchup? I take the fries.

HEMMER: Wash it down with a chocolate milkshake?

COSTELLO: Exactly. We look forward to that. Thank you, Bill.

HEMMER: See you in 15 minutes.

COSTELLO: It was meant to save wild mustangs from certain slaughter. The federal government decided to sell the horses to Indian tribes for $1 apiece, because Indians revere horses. They would provide them a safe haven. But somehow, dozens of those mustangs ended up in the slaughterhouse.

(BEGIN VIDEO CLIP)

COSTELLO (voice over): These wild mustangs are a symbol of the Old West. But, believe it or not, a growing number of the once revered creatures are ending up on dinner tables throughout the world. That fact is not lost on the U.S. government, which is responsible for the horses' well-being.

Last month, the government stopped its program aimed at finding suitable homes for the horses. That decision came after around 40 of the animals ended up at a slaughterhouse near Chicago.

The government's program called for some of the country's 37,000 wild horses to be sold. The price: $1 apiece. The mustangs that were put up for sale were all over 10 years old and considered unadoptable.

The plan was to sell the horses to people who knew how to handle and care for them. Among those who bought the mustangs were two groups of Native Americans. But the Rosebud Sioux Tribe of South Dakota turned around and traded their old government horses for younger models. And it was many of those horses that ended up at the slaughterhouse door.

Other groups are still fighting for the mustangs' survival. They're raising money to buy acres of fruited plain to allow the wild mustangs of America's past to play under our spacious skies.

(END VIDEOTAPE)

Now, keep in mind, not all of the horses that were sold ended up at the slaughterhouse. Hundreds have been given good homes. Many of the wild mustangs were purchased by three affiliated tribes of North Dakota.

Their chairman Tex Hall joins us live now.

Good morning, sir.

TEX HALL, PRES., NATIONAL CONGRESS OF AMERICAN INDIANS: Good morning, Carol.

COSTELLO: First of all, tell us why the mustang is such a revered horse.

HALL: Well, I believe, Carol, that many of us in Indian country believe that many of these wild ponies are actually descendants of actual tribes from the Sitting Bull band from the Chief Joseph band and many of the chiefs. These are the original Indian ponies that exist that are called these wild mustangs today.

COSTELLO: So, I know the Indians want to preserve these horses. So, it must have been thrilling for you to hear the federal government was going to sell these mustangs for a dollar apiece to Indian tribes. How many were bought?

HALL: Well, I know that it's about 240, Carol, that our tribe, the three affiliated tribes of the Mandan, Hidatsa, Arikara at Fort Berthold, purchased for a dollar apiece, and the Rosebud tribe, I know it was like 209, and about the same for the Comanche tribe. And we all are totally excited about providing a permanent home for these indigenous ponies.

COSTELLO: And that was the deal, so that these horses wouldn't end up at the slaughterhouse; yet, 200 or so of them did. How did that come to happen?

HALL: Well, I actually think it was a much smaller amount than that, Carol. It was about 87 from the Rosebud. And the Rosebud had no intentions. They simply wanted to trade for these older horses, of course, that were given to them for a dollar a head for younger horses for their troubled youth and their gangs. But instead, a broker got those horses, and then sold them to slaughter.

So, the Rosebud tribe has come back and asked a tribal resolution that forbids any horse to be resold for slaughter. So, that's been taken care of. But it was never their intention...

COSTELLO: So, you're saying, sir, that the broker kind of snookered them?

HALL: I think so. You know, Carol, I think that, you know, the broker obviously wanted to, you know, trade for money and to upgrade these horses. And the Rosebud tribe simply wanted to trade for younger horses. Their intention was never to go to slaughter. It was the broker that actually ended up doing that.

COSTELLO: I'm kind of fuzzy on whether the Indian tribes could actually sell the horses that they bought from the government for a dollar.

HALL: Well, again, Carol, the intention was to trade, and it wasn't to sell for profit or to sell for slaughter. It was simply to trade. And so, obviously, there must have been a broker that agreed to that, but instead went and sold the horses.

So, in my tribe, again, our tribe, we have a committee that approves these horses to go out to various tribal ranches within our reservation. And those ranches then will take care of them. And, of course, their forbid to sell for slaughter as well, because the goal here is to provide a permanent home.

COSTELLO: Right, exactly.

HALL: And we have many tribal ranches that are willing to do that.

COSTELLO: The federal government says it had temporarily stopped selling these horses to Indian tribes. Has that started up again? HALL: Well, I certainly hope it will, and I think certainly it will real soon, Carol, because there's a number of horses, there was like 8,400 total. And there's like 56 million acres in Indian country, and many of the tribes such as ours are willing and able to provide for these horses. So, I certainly hope so.

COSTELLO: Tex Hall joining us live this morning. Thank you.

Still to come on DAYBREAK, a big day ahead for some very resilient dolphins. That story is next.

But first, a look at some people. It's time to say happy birthday on this day, May 3.

COSTELLO: All week, "AMERICAN MORNING" is looking at the problems the fighting in Iraq and Afghanistan are causing for American soldiers at home. So, let's check in with CNN's Soledad O'Brien for a look at what's on tap for today.

Good morning.

SOLEDAD O'BRIEN, CNN ANCHOR: Hey, Carol, good morning to you.

This morning, we're going to meet an Army reservist in a different kind of war now. He sued one of the biggest companies in the world, IBM. He says his bosses there fired him because of his military obligations, but they tell a very different story involving his behavior. That's ahead in our special series. It's called "Battle Fatigue."

Also, just a few days until Mother's Day. So, what's the price of motherhood outside of other sleeplessness all the time? The folks at salary.com calculated a salary for all the work that stay-at-home moms do. We're going to have that surprising figure. We'll tell you how they came up with it as well. I'll give you a little hint: It's a lot of money.

That's ahead this morning, Carol, on "AMERICAN MORNING" at the top of the hour.

COSTELLO: And it should be.

O'BRIEN: That's right.

COSTELLO: Thank you, Soledad.

It is 6:53 Eastern. Here is what will be making news today.

He's done a lot of traveling to push for Social Security reform, and now President Bush has more road trips ahead. Today, he's heading to a Nissan plant in Canton, Mississippi, to push his plan for personal retirement accounts.

Former President Clinton is joining forces with the American Heart Association. Today, they're announcing a major initiative to combat childhood obesity. Officials say it's one of the nation's most pressing health issues.

And finally, round-the-clock from hundreds of volunteers, that's what these dolphins got, and it's paid off. Seven dolphins are being released off the Florida coast today two months after they stranded themselves in shallow water. Two

dozen other dolphins died. But there's happy news for those that are going to swim off to see once again.

CHAD MYERS, CNN METEOROLOGIST: And they find out, as it turns out, most of those dolphins end up staying right around where they were rehabbed usually. They are not going too far, because they really appreciate what all of those folks have done for them. So...

COSTELLO: They've established a relationship, and there's food there for the taking.

MYERS: Well, of course, now they have to get back into a pack, so that they can relearn how to re-feed out there, too, Carol.

So here we go. Let's give away a DAYBREAK coffee mug for today. Where did the North Korea missile land that was shot off? That was in the Sea of Japan. And how many arrests have been made in that Massachusetts buried treasure case? The answer there is four.

And from Lubbock, Texas, our winner, Monty Strauss. Monty, congratulations.

Here are your questions for today. The federal government sold wild horses to Indian tribes for what price? And where is Hilton's new underwater restaurant? Did we talk about that?

COSTELLO: Yes, we did.

MYERS: Well, I missed that. I guess I won't be getting a DAYBREAK coffee mug today. If you know the answers, CNN.com/daybreak.

COSTELLO: Thank you, Chad.

You are watching DAYBREAK for a Tuesday morning.

COSTELLO: "Now in the News."

The U.S. military has found the body of a pilot from one of two Marine fighter jets that apparently collided over Iraq. The search goes on for the second pilot. Navy officials tell CNN they believe the FA-18s crashed into each other in bad weather during a routine mission.

The fed is expected to raise a key interest rate again today. The quarter-point jump would bring the federal funds lending rate to 3 percent. That would be up a full 2 percentage points since last June. In Wichita, Kansas, the man suspected of being the BTK serial killer heads to court in four-and-a-half hours. Dennis Rader is expected to plead not guilty to charges he strangled 10 people.

Got brakes? If you own a GM pickup or sport utility vehicle you might not. The government has launched an investigation into possible problems with the antilock brakes in more than one million of those GM vehicles. The model years in question are from 1999 through 2002.

(WEATHER REPORT)

MYERS: Hey, Carol, I've been working on some things on my BlackBerry here.

COSTELLO: Oh.

MYERS: Atlanta to **Vegas,** bus ticket, 162 bucks. Room in **Vegas,** 89 bucks. Bus ticket back to Albuquerque, $95. Not having to say "I do," priceless.

COSTELLO: I can tell you worked on that all morning long.

MYERS: I really did.

COSTELLO: I'm Carol Costello along with Chad Myers. "AMERICAN MORNING" starts right now.

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LOAD-DATE: May 4, 2005

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Copyright 2005 Daily News, L.P.
Daily News (New York)

May 3, 2005 Tuesday
SPORTS FINAL EDITION

SECTION: GOSSIP; Pg. 30

LENGTH: 1067 words

HEADLINE: TOM SHOWING ALL HE'S FLIPPED FOR KATIE

BYLINE: BY GEORGE RUSH AND JOANNA MOLLOY With Jo Piazza and Chris Rovzar

BODY:

Tom Cruise seems determined to make sure every earthling - down to the last Asmat in Papua-New Guinea - knows he's dating Katie Holmes.

Having confirmed last week that he's seeing the 16-years-younger "Dawson's Creek" actress, Cruise invited her Saturday to see Cirque de Soleil's erotic "Ka" show in Las Vegas.

Never mind that Cruise had already seen the spectacle twice since it opened at the MGM Grand in February. He and Holmes posed for pictures with the cast and crew for 30 minutes. Troupe members also helped Cruise do a backflip backstage.

The acrobatic Kama Sutra seemed to have the desired effect on the new couple. Audience members spotted them making out after Cruise emerged from a men's room. (The pair managed to resist a quickie wedding at an all-night chapel.)

Cold-hearted skeptics continue to suspect the hookup is a gambit to promote summer movies: Cruise's "War of the Worlds" and Holmes' "Batman Begins."

According to a new poll, a majority of AOL members believe the weeks-old relationship won't last.

That could be good news for Josh Hartnett. Some contend that, despite her dalliance with Cruise, Holmes has something stronger with the "Sin City" star. Though reps for both Hartnett and Holmes have denied that the two are anything more than friends, one source tells us: "They're still totally in love."

Whoever claims her, um, heart can look forward to a secret vixen.

Back in Catholic high school, she tells Giant magazine, "My senior year we got in trouble about how high our skirts were. Needless to say I had about 20 demerits at the end of the year from it still being too high."

More Gannon fodder

Alleged gay escort Jeff Gannon (né James Dale Guckert) has been taken a lot of heat passing himself off as a White House reporter. But there has been an upside.

Gannon says that some of his harshest critics - "radical gay activists" - have actually come on to him.

His detractors shed their convictions "like a sweater on a hot day," Gannon says in the new issue of Vanity Fair.

The born-again Gannon refused to talk about his sexuality with reporters David Margolick and Richard Gooding but says, "Did I know sin before I knew salvation? You bet! But my life was heading in the right direction. What's interesting about this is now I'm being punished for things I left behind."

Gannon also hints at doing secret work for which he needed White House security clearance, although he refuses to elaborate: "My history isn't exactly linear."

A diplomatic Exchange

Could former New York Stock Exchange Chairman John Reed be trying to broker peace between the Big Board and deal-spoiler Kenneth Langone?

Billionaire investor Langone has been leading a group of Wall Street bigwigs, including former Morgan Stanley President John Mack, bent on blocking the merger between the Big Board and the electronic marketplace Archipelago Holding.

Our spies spotted Reed at the elevator bank that heads up to Langone's Park Ave. offices late last week - days before Langone was scheduled to meet with Wall Street execs to discuss his hostile NYSE takeover bid.

It's unlikely Reed and Langone were having a friendly chat. After Langone resigned as a NYSE director in 2003,

he griped about Reed's crusade to reform the exchange in the wake of its $140 million payout to its former head Dick Grasso, a Langone pal.

Reps for Reed and Langone didn't return calls. But sources suggest former Citicorp co-chairman Reed could be looking to bring the two sides together before things get really ugly.

Kelly's crying jag

Kelly Osbourne seemed on a rock chick on the verge of a nervous breakdown last weekend.

Ozzy's raccoon-eyed spawn burst into tears Saturday night while dining at Mr. Chow's with PR pals Jonathan Cheban and Lizzie Grubman.

"It was like a spontaneous combustion," a spy said. "Lizzie had to put her arm around her to console her."

Kelly lost it again at the "House of Wax" premiere later Saturday evening when she was scolded by a security guard for text-messaging during the film.

"Do you know who you're speaking to?" she screamed.

Kelly was in better spirits at Paper magazine's TV party the other night at NA, where she had an unlikely makeout session in the deejay booth with Heatherette designer Richie Rich.

Lindsay Nightingale?

Wounded GIs can look forward to some extra bedside tenderness from Lindsay Lohan this summer. We hear the "Mean Girls" star wants to visit military hospitals overseas while promoting her new comedy, "Herbie: Fully Loaded."

While stops at U.S. bases in Europe are a safe bet, recent violence in Baghdad could keep the actress out of the eye of the storm.

Lohan's rep confirms that "she has mentioned traveling to Iraq. But nothing is definite yet."

Side dish

WHAT WELL-scrubbed actor and his buddies passed the time on a chartered plane to Vegas by stoking themselves with coke? The star better hope his girlfriend doesn't find out about that stewardess ...

"INSIDER" ANCHOR Pat O'Brien celebrated the end of his rehab by

rocking out at California's Coachella Valley Music Festival last weekend ...

ROBERT REDFORD and Paul McCartney dined at Il Gattopardo ...

MICHAEL JORDAN and Bill Cosby chowed down at Bravo Gianni ...

JULIA STILES filled Carson Daly in on her movie remake plans for Sylvia Plath's novel "The Bell Jar" at the Pure Music party at 6's & 8's.

PARIS WAXES ON AT TUSSAUD FETE

Paris Hilton met her wax replica at Madame Tussaud's in Times Square yesterday. And, even though the paraffin double seemed to mimic the hotel heiress' blank-eyed stare perfectly, the original Paris found her knockoff lacking.

"I'd like it to be in a pretty dress," she told The News' Joe Neumaier. "And I'd cut the hair; it's too long."

Touring the exhibit based on her thriller, "House of Wax," Hilton squealed at the ghouls, checked her hair in a prop mirror, critiqued the Jennifer Aniston wax figure ("She's prettier in real life"), and beamed a live iPod broadcast around the world.

"No such thing as too much Paris," she said with a smile.

P.S. Keith Richards' daughter Theodora doesn't envy Hilton's notoriety. The rock child of the Stones guitarist and former supermodel Patti Hansen is dying for her own horror movie role, but "all I get is scripts where I'm giving guys [oral sex]."

"I don't want to be another Paris Hilton," she told Webster Hall's Baird Jones at the Massimo Ferragamo exhibit "Origin: Mother and Child." "I would never do a porno video."

E-mail: rushmolloy@nydailynews.com

GRAPHIC: THE THIGH'S THE LIMIT: Katie Holmes admits to racking up 20 demerits for short skirts as a Catholic school girl. This outfit would earn her at least that many. DRAWN TOGETHER: The discussion was, well, animated when (from l.) Jerry Seinfeld, Mike Myers, Justin Timberlake and Chris Rock met up at DreamWorks' "Animation Now" event at Alice Tully Hall. RICHARD CORKERY DAILY NEWS MARKUS KLINKO AND IDRANI GIANT RICHARD CORKERY DAILY NEWS WE'LL ALWAYS HAVE PARIS: And that's because Ms. Hilton has been immortalized in wax by Madame Tussaud's. Which is which? GROS-STEFAN X17 AGENCY IN THE SWIM: Gwyneth Paltrow took a dip with the Apple of her eye in Palm Springs, Calif., where mother and daughter went to see proud papa Chris Martin's band, Coldplay.

LOAD-DATE: May 3, 2005

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Copyright 2005 THE DALLAS MORNING NEWS
THE DALLAS MORNING NEWS

May 3, 2005 Tuesday
SECOND EDITION

SECTION: METRO; JACQUIELYNN FLOYD; Pg. 1B

LENGTH: 704 words

HEADLINE: Runaway bride owes no apology to public

BYLINE: JACQUIELYNN FLOYD

BODY:

Jennifer Wilbanks owes plenty of people an apology, but I don't need one.

True, I wasted at least a couple of hours last week camped out in front of the cable-news channels, idly watching the breathless coverage and interviews and speculation-by-experts on her disappearance. If I wasted my time, though, it's nobody's fault but my own.

And if this poor woman's mental hinges are so faulty that she could not face her own wedding, it surely was torture to be perp-walked through a public airport with a blanket over her head to hide from the news cameras.

Why be mad at her? I don't even know her. I'm glad she's safe and home instead of dead and dumped in a swamp, which is the ending that most people expected.

This is understandable, given the endless series of real-life crime 'n' horror tales you can follow in excruciating minutia: pretty children slaughtered by perverts, blooming wives murdered and dumped by duplicitous husbands, the tragic, mutant alternative life form known as Michael Jackson. You can consume that stuff as a steady diet, if that's what you want.

It's odd and slightly creepy, though, that so many people seem to feel angry at the (comparatively) happy resolution to Ms. Wilbanks' disappearance. They talk as if they had been cheated on the price of their tickets, as if she purposely went out of her way to snooker the entire country.

"Jennifer let people believe the worst," wrote one of many bloggers to The Atlanta Journal-Constitution Web site. "She should be punished for causing national attention which was all a hoax."

A lot of this sentiment has been floating around. It's a little like that sense people stuck in a traffic jam get that there had better be a headless corpse in the wreck up ahead to justify their delay.

Another blogger wrote that Ms. Wilbanks "took advantage of people's love and compassion, and made the nation look foolish in the face of her prank."

It's chilling that somebody believes that caring about whether this woman was dead or alive "made the nation look foolish."

Foolish? How? Yes, this story was overcovered, which is in the nature of our hydra-headed, 24-7 news-as-entertainment industry. I guess people would be less mad at Jennifer Wilbanks had there been less coverage, but that was just her luck of the draw - good or bad, depending on how you look at it.

Yes, she spun a pretty feeble, made-up abduction tale, which the Albuquerque Police Department managed to dismantle with a few pointed questions. Jennifer Wilbanks might be the most unpopular woman in America right now, but she sure isn't much of a criminal mastermind.

A few bloggers expressed their vexation at those New Mexico cops, suggesting that they treated Ms. Wilbanks too

kindly - they gave her a baseball cap and a teddy bear and escorted her to her flight. Some seem to think she ought to have gone back to Georgia in a jail jumpsuit and leg irons.

Listen, I visit Albuquerque a lot. It's a handsome city with many kindly people, and they're due credit for showing compassion to an obviously distressed person.

Because, whatever flawed motivation was in her noodle, Ms. Wilbanks was surely distraught. The police said so, her family says so, and the notion that her ill-considered flight was some kind of "prank" engineered to make us all look like a bunch of gullible dolts is just nonsense.

There's plenty of credit due to the volunteers who turned out to help search for Ms. Wilbanks. But every missing-person story doesn't end with a tragic victim or a brave, heroic survivor. Sometimes people do odd, embarrassing, incomprehensible things - such as hopping a bus to Vegas and stiffing 600 wedding guests.

The main difference between Jennifer Wilbanks and people who have pulled equally bizarre stunts is that in her case, the planets fell into that rare alignment that makes a Big News Story, including that there wasn't much else breaking and it was the start of May sweeps.

I don't care whether the people Ms. Wilbanks has legitimately wronged - her fiancé, family and friends - are disposed to forgive her. That's their business.

But she doesn't owe the rest of us anything. We have enough stories that end in real tragedy to be grateful for the ones that don't.

E-mail jfloyd@dallasnews.com

LOAD-DATE: May 3, 2005

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Copyright 2005 Dayton Newspapers, Inc.
Dayton Daily News (Ohio)

May 3, 2005 Tuesday

SECTION: LOCAL; Pg. B1

LENGTH: 548 words

HEADLINE: All World's the stage for travel

BYLINE: Leigh Allan

BODY:

When it comes to travel, folks around here are willing to gamble. In fact, gambling's the first thing on their minds.

Margie Christie, whom I shadowed at All World Travel in downtown Dayton last week, says Las Vegas is the most common destination request, even in summer. And those who seek a break from the garishness and sand of Vegas head to Tunica, Miss., home of riverboat casinos and lots of mud.

I was tagging after Christie because I find the travel business fascinating, the most fascinating part these days being how anybody stays in business. The triple whammy of airlines squeezing commissions so much you lose money writing tickets, folks using the Internet to deal directly with suppliers and national discounters, and the fear of flying after 9/11 has led to the disappearance of most small players and many large ones.

Christie, a cruise and leisure specialist at All World for nine years, says owner Wes Hamdan rode out the roughest times through a combination of corporate contracts (especially with UD, where it maintains staff), joining a buying cooperative and being willing to swallow losses for a long time before a recent upturn. Still, the staff level has dropped to 15, way down from when All World had an office in every Elder-Beerman's store.

Given what she said Dayton's travel desires are, it was no surprise Christie spent most of the day setting up individual and group trips to Vegas. It was also no surprise to find that the amount people wanted to pay for trips was a tad short of realistic.

She spent a long time working for the best prices for the Vegas-bound, waiting on hold all over the world, including for one agent with an Indian accent who didn't know Dayton-Vegas is a domestic flight. Some of the waiting is for customers - Christie and co-worker Edie Bayless say it's a Midwestern habit to put off decisions until checking with every available friend, neighbor and relative.

Aside from the gamblers - maybe not aside, given that cruise ships almost all have casinos - Christie worked on some Alaska cruise groups. As you'd expect, the Caribbean dominates cruise requests in winter, Alaska in summer, with Europe a growing choice.

Almost all local customers pick mainstream lines such as Carnival and Royal Caribbean, though once or twice a year someone opts for a super-luxury trip on Crystal or Seabourn. Dayton customers tend not to be adventurous, with exotic journeys seldom asked about.

Christie says despite an increase in how much cruise lines and tour agencies sell directly on the Web now, all cooperate well with travel agents except an outfit out of Orlando with a famous mouse, which she says looks down on agencies that don't begin with three A's.

She says complaints about cruises are rare and are almost all about the air trip to or fro.

All World gets a fair number of walk-ins. Last week, one couple who appeared to be neither wealthy nor well-traveled came in to ask about a cruise. Christie went through a bunch of choices and came up with a package not too far above their stated budget.

The deposit's due this week. I hope they make it. A four-day cruise could be the trip of a lifetime. And I'd bet, in Vegas or Tunica, an agent would feel good about making it possible.

Contact Leigh Allan at lallan@ DaytonDailyNews.com or 225-7317.

LOAD-DATE: May 4, 2005

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Copyright 2005 Times - Standard
Eureka Times-Standard (California)

May 3, 2005 Tuesday

SECTION: LOCAL NEWS

LENGTH: 340 words

HEADLINE: Legally blind Eureka woman wins Humboldt poker crown

BODY:

The Times-Standard

Deborah Crumley, legally blind and diagnosed with multiple sclerosis, has been crowned the first Humboldt County Poker Champion.

Crumley held up three twos to win the $10,000 grand prize Sunday at Blue Lake Casino.

Crumley said that when she won, she had a toast: "Here's to the women. Here's to the disabled and here's to those over 50." Crumley is 52.

She bested 386 other players to win, some traveling in from as far as Arizona to vie for their shot at the cash or the trip to Las Vegas to play in the World Series of Poker. She opted for the cash prize.

The win came at a good time. She said: "I was let go from my job because of my disability and they couldn't keep me on. I had been on disability for over a year."

David Isaacs won second place and a hot tub from Jay Sooter's Pure Water Spas, while Jude Hostler took third place and a set of mini bikes.

In a press release, Jason Beaver, tournament organizer, said "the event went very well," with more than $50,000 raised for Humboldt County non-profit organizations, including Californians for Alternatives to Toxics, Humboldt County Domestic Violence Services and the Humboldt County Council on Adoptable Children.

Crumley said: "I played professionally in my 20s and 30s in Vegas. I played lowball mostly, but once I tried Texas Hold 'em I switched."

But she said in a telephone interview that she was in no hurry to return to the tables. "I need to sleep for a week or two," she said.

She said the two-day tournament was a grind, but she went in thinking win.

"I had no doubt I could win if I kept my calm and didn't get into mind games that the younger players do," she said, adding, "The key word is patience."

The Humboldt County Poker Championship drew support from many local sponsors like Blue Lake Casino, 6 Rivers Brewery, Jay Sooter's Pure Water Spas, and Bayareapokerchip.com. National sponsors include Partypoker.com, Harrah's Casino. Media sponsors are Bicoastal Media, The Times-Standard and Lost Coast Communications.

LOAD-DATE: May 3, 2005

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FD (Fair Disclosure) Wire

May 3, 2005 Tuesday

TRANSCRIPT: 050305an.739

LENGTH: 8858 words

HEADLINE: Q1 2005 Developers Diversified Realty Earnings Conference Call - Final

BODY:

OPERATOR: Good day, ladies and gentlemen. And welcome to the Developers Diversified Realty first quarter 2005 earnings conference call. My name is Christy, and I'll be your call coordinator for today. At this time, all participants are in a listen-only mode. We will be facilitating questions and answers towards the end of today's conference. [OPERATOR INSTRUCTIONS]. As a reminder, this conference is being recorded for replay purposes. I would now like to turn the presentation over to your host for today's call, Mr. Scott Schroeder, Vice President of Marketing and Communication. Please proceed, sir.

DAN HURWITZ, EVP, DEVELOPERS DIVERSIFIED REALTY CORPORATION: Thank you, operator, and good morning, ladies and gentlemen.

Welcome to the Developers Diversified Realty first quarter earnings conference call. I'm Scott Schroeder, Vice President of Marketing and Corporate Communications for Developers Diversified. With me in Cleveland is morning are Scott Wolstein, Chairman and Chief Executive Officer; David Jacobstein, President and Chief Operating Officer; Daniel Hurwitz, Executive Vice President; and Bill Schafer, Senior Vice President and Chief Financial Officer.

Before we begin, I need to alert you that certain of our statements today may be forward-looking. For example, statements that are not historical in nature or that concern future earnings, results, or estimates, or that reflect expectations or beliefs are forward-looking statements. Although we believe that such statements are based upon reasonable assumptions, you should understand that those statements are subject to risks and uncertainties and that actual results may differ materially from forward-looking statements. Additional information about such factors and uncertainties that could cause actual results to differ may be found in the management's discussion and analysis portion of our Form 10-K for the year ended December 31, 2004, and filed with the SEC.

At this time, it's my pleasure to introduce Scott Wolstein.

SCOTT WOLSTEIN, CHAIRMAN AND CEO, DEVELOPERS DIVERSIFIED REALTY CORPORATION: Good morning, everybody.

I am pleased to announce our first quarter 2005 results of $0.90 per share of FFO, which represents a 27% increase over first quarter of 2004. Clearly, a significant contributor to this significant outperformance was the large amount of merchant building gains that we recognized in the quarter. Therefore, I would like to pause here to point out something that I think is often overlooked but is very important. The temptation here is to take these merchant building gains for granted and focus solely on operating cash flow. This is a mistake. These merchant building gains evidence real value creation, recognized real gains from our development capabilities. While all REITs temporarily have benefited from the significant cap rate compression in the market, we have made these benefits permanent by harvesting these gains through asset sales. Asset sales have allowed us to grow the Company by over $4 billion in about a year, while raising less than $800 million in equity. Asset sales have allowed us to recycle capital into higher yielding development opportunities, which will generate merchant building gains in the future.

Moreover, our portfolio continues to demonstrate strong leasing fundamentals which reflect both the growing strength

of our asset class and the quality of our portfolio. We continue to structure and execute transactions that support our investment strategy and result in long-term value creation for our shoulders. As previously reported in January, we acquired 15 Puerto Rican shopping centers from Caribbean Property Group for $1.15 billion. We own three of the ten largest retail assets on the island, and 13 of the 50 largest assets. This acquisition positions us as the dominant retail landlord in Puerto Rico and U.S. commonwealths whose economy is fueled by consumerism and whose developable land is highly constrained by physical barriers.

Just recently we hosted a second investor tour of our Puerto Rican assets, which was very well-received as was the first investor tour. Each property choice provided analysts a first-hand opportunity to better understand the dynamics of the local trade area, consumer demand, and the outstanding sales productivity of this portfolio. The transition with these assets has been very smooth. And as David will describe in greater detail, our staffing progress both in Cleveland and in Puerto Rico is proceeding on schedule.

As anticipated and discussed earlier, during the first four months of this year, our MDT joint venture acquired several DDR wholly owned assets aggregating approximately $350 million in value. These included several recently completed development properties, primarily acquired from JDM, that generated merchant building gains of approximately $38 million, $14.5 million of which occurred in the second quarter of 2005. In less than two years, MDT's assets have grown to over $2 billion, which is more than five times the size of Developers Diversified at our IPO in 1993.

At this point I would like to turn the floor over to Bill Schafer, who will discuss highlights from our first quarter results, as well as some recent capital markets activity.

BILL SCHAFER, SVP AND CFO, DEVELOPERS DIVERSIFIED REALTY CORPORATION: Thanks, Scott.

For the first quarter of 2005, DDR reported FFO of $0.90 per share diluted and basic, as compared to $0.71 per share diluted and $0.72 per share basic in the first quarter of 2004. The Company earned total FFO of nearly 113 million in the first quarter of 2005, which is 54% higher than the 73.4 million earned in the first quarter of 2004. In addition to the merchant building and land sale gains that Scott previously mentioned, the Company sold several other operating assets and recognized over $39 million in gains, which were not reflected in FFO. Of the 39 million gained, nearly 30 million represented an undepreciated economic gain.

Regarding the capital markets, during the first quarter of 2005, we amended and extended all of our resolving credit facilities. We amended our 1 billion senior unsecured credit facility and extended the term of the facility by two years from May 30 of 2006 to May 30 of 2008. The amended facility provides for an accordion feature to expand the size of the facility at the Company's option up to 1.25 billion. The facility also includes a reduction in interest rate from LIBOR plus 80 basis points to LIBOR plus 67.5 basis points, based on the Company's current corporate credit ratings. We also increased, extended and amended our National City revolving credit facilities by combining the two secured facilities, aggregating 55 million into 160 million unsecured facility and reducing the interest rate to LIBOR plus 67.5 basis points and extending the maturity to May of 2008.

We also closed on an amendment to our MDT secured revolving credit facility. The amendment extended the maturity to November 30, 2007 and reduced interest rate from LIBOR plus 137.5 basis points to LIBOR plus 100 basis points. We increased the capacity of this facility from 100 million to 125 million and added an accordion feature to expand it to 200 million. As MDT continues to grow, we will look to continue to expand this facility and also move to an unsecured facility in the future as MDT's evolution permits. We are gratified by the capital market's confidence in our corporate credit and financial performance, and are pleased to announce these improvements to our credit facilities. These changes provide the Company with additional financial strength through improved pricing, greater operating flexibility, and extended maturity and additional banking relationships.

I would also like to take a moment to reaffirm our philosophy toward variable rate debt. Generally speaking, we look to maintain a floating rate debt percentage of total consolidated debt between 15% and 30%. In times when the yield curve is steepening, we may be above the 30% level; and as we see the yield curve flattening, we will look to reduce our exposure to variable rate debt by locking in favorable long-term interest rates. In fact, in early February, following our acquisition of assets from CPG, we entered into 300 million treasury lock when the ten year treasury was approximately 4%. Last week we issued 200 million of ten year fixed rate senior unsecured notes with an interest rate of 5.547%; and 200 million of five year senior unsecured notes with an interest rate of 5.04%. After applying the benefit of the rate locks that we entered into, our effective five year interest rate is approximately 4.95% and our effective ten year interest rate is approximately 5.37%. At year-end our floating rate debt exposure was approximately 20% of total consolidated debt.

Following the CPG transaction, that percentage increased to 38%. But following the issuance of the above fixed rate senior unsecured notes, our floating rate debt is approximately 28% of total consolidated debt.

In our internal projections, we have again increased our forecasted rates on floating rate debt to an average LIBOR rate of approximately 3% for the second quarter of 2005, and 3.6% for the second half of the year. A 25 basis point LIBOR rate adjustment will have a quarterly impact of approximately 700,000. Consistent with our comments on many previous conference calls, we remain committed to preserving our strong balance sheet, and our financial ratios as calculated in our supplement continue to clearly reflect this objective. For the three months ended March 31, 2005, fixed charge coverage ratio was approximately 2.4 times. Debt service coverage was approximately 3.12 times, and interest coverage was nearly 3.7 times.

I would now like to turn the call over to Dan Hurwitz to discuss leasing and development.

DAN HURWITZ: Thank you, Bill, and good morning.

I'm pleased to report that leasing and development activity continues at a brisk pace throughout the portfolio. Specifically, in regard to leasing, Q1 was extremely active, with 303 leases executed, representing 1.36 million square feet of retail space. The rental spread on new leases was 18.9%, while renewals were 6.2% for a blended increase of 10.2%.

For the DDR core portfolio, which includes the former JDN assets, but excludes the former Benderson and Caribbean Property Group assets, occupancy stood at 94.7% and the leased rate of 95.2%. Overall, with Benderson and CPG included, occupancy stood at 94.9% and the lease rate was 95.5%. Of note of these numbers is the fact at that physical occupancy was in the core portfolio actually rose 10 basis points over Q4 2004, which is a highly unusual event for a first quarter, but a very positive occurrence. The core occupancy also reflects a 30 basis point increase over Q1 2004. I'm also pleased with the progress made to date on the Benderson master lease spaces. Benderson originally master leased 97 spaces, which due to space splitting has evolved to 103 total units. As of Q1, 2005, 78 spaces have executed leases and are open for business, representing approximately 625,000 square feet. 11 spaces have executed leases but are not yet open, which represents another 189,000 square feet; two spaces have pending deals and executed letters of intent, representing 3500 square feet. The remaining 12 spaces representing approximately 245,000 square feet have limited activity at the current time.

In regard to the Puerto Rican portfolio, progress continues on many fronts. Tenant interest continues to be extremely high, while our development activity, which includes expansion of Plaza del Sol and Plaza Rio Hondo continues on time and on budget. The most pleasant surprise, however, has come from the specialty income category. Last month our new business development group conducted a tenant tour for our national group of temporary tenants, potential sponsors and specialty retailers. The results of the tour were truly outstanding, with several retailers expressing immediate interest in our properties for either tenancy or sponsorship opportunities. Based on the tenant interest and the leasing momentum that our ancillary income group has enjoyed to date, we expect to generate in 2005 approximately $6 million of revenue within this category for the Puerto Rican assets exclusively. This compares quite favorably to the 2005 budget prepared by the previous owner of $3.8 million and the underwritten revenue of $3.2 million. In addition, on July 1, we will be instituting a gift card program for all Puerto Rican assets that is anticipated to generate and additional $1 million in revenue by year three and 2.5 million by year five. Prior to our ownership, no such program existed for these assets. Based on the quality of this portfolio overall, we continue to expect additional positive events that result from property integration into our processes and systems.

As I mentioned on previous quarters, due to the fluid nature of the current retail environment, tenant portfolio reviews have been a major priority for the leasing team to stay current on tenant demand and prototypes, while continually introducing tenants to the opportunities within our ever-changing portfolio. Since Jan 1, the DDR leasing team has conducted nearly 50 portfolio reviews with our key retail partners in an effort to stay ahead of emerging trends. Tenants with whom we have met range from JC Penney, Kohl's, Target, Wal-Mart in the big box category, to TJ Maxx, Whole Foods, Best Buy, Wild Oats, Bed Bath & Beyond, Staples and PetsMart in the medium box category, to Justice, William-Sonoma, Pottery Barn, West Elm, Gap, Yankee Candle and Hallmark in the small shop category. The importance of these meetings cannot be minimized as we head toward the Las Vegas convention. Numerous opportunities have been have been advanced during the quieter months of January, February and March, we enables the retailer to avoid the information overload that is inevitable leading up to the convention, and affords the opportunity to actually close deals when we reassemble in May. With the exception of a few new development locations that have arisen since the actual meetings have occurred, no project will be a first impression and we anticipate unparalleled results leaving Vegas.

In regard to our development program, we recently enjoyed another ground-breaking for a substantial development project. On April 21, we broke ground for phases two and three for our Apex, North Carolina project. The more than 650,000 square foot open-air center will include Kohl's, a 12-screen multiplex movie theater by Consolidated, and retailers from every major category, including Dick's Sporting Goods, Circuit City, Old Navy, Petco, Pier 1, Bed Bath & Beyond, specialty retailers and restaurants. Combined with our previously opened Beaver Creek Commons, anchored by Target and Lowes, DDR will have developed more than 1 million square feet of retail in this western Wake County community. Stores at Beaver Creek Crossings are expected to begin opening in the summer of 2006.

In regard to our overall development pipeline, opportunities continue to emerge at a rapid pace. In our current pipe line, we are engaged in either predevelopment or development activities on 24 locations in 15 different states, with multiple locations in Florida, New England, California, and Ohio. Other states represented include Texas, Idaho, New York, North Carolina, Nevada, Kansas, Colorado, Minnesota and Pennsylvania. All told, these projects represent between 9 and 10 million square feet of new development activity, representing approximately 1 to 1.3 billion of total project costs. These opportunities are in addition to the 434.5 million of development projects identified in our supplemental. While it is highly unlikely that all the current pipeline projects will be developed, we continue to pursue additional opportunities to keep the pipeline in the $1 billion range.

While Greenfield Development catches all the headlines, we remain focused on development opportunities within the core portfolio through our redevelopment and expansion pipeline. Understanding the significant opportunity for value enhancement available through expansion and redevelopment projects, Developers Diversified four years ago created an internal division within the development group dedicated to this aspect of asset management. Currently our group has 24 projects either in progress or scheduled to commence construction in 2005, representing $121 million of investment. Returns for these projects range in the low to mid teens.

In addition, we are currently reviewing the redevelopment feasibility of another 55 projects, which will continue to fill this pipeline. It is important to note that these numbers do not include the significant redevelopment activity generated by our Coventry fund,[ph] which total an additional $278 million. Redevelopment and expansion projects continue to be an area of focus that receives the same level of attention as our ground-up new development program.

At this point, I'd like to turn the call over to David.

DAVID JACOBSTEIN, PRESIDENT AND COO, DEVELOPERS DIVERSIFIED REALTY CORPORATION: Thanks, Dan.

As mentioned in our fourth quarter 2004 conference call in February, DDR sold two shopping centers in Aurora, Colorado and Irving, Texas to our MDT joint venture at the beginning of first quarter 2005. For the remainder of the first quarter, we sold seven shopping centers located in Brookfield, Wisconsin; Brentwood, Tennessee; Plainville, Connecticut; Brown Deer, Wisconsin; and Brandon, Florida. The nine shopping centers sold to MDT in the first quarter of 2005 represent an aggregate value of $286 million. The average weighted disposition cap rate of 7.32% for the assets in Aurora, Colorado; Brandon, Florida; Irving, Texas; and Brown Deer, Wisconsin, originally acquired from JDN, compare favorably to our 2003 acquisition cap rate of 10%. In the beginning of the second quarter, DDR sold three shopping centers in McDonough, Georgia; Grandville, Michigan; and Parker, Colorado, to MDT for approximately $63.8 million. These shopping centers were development assets acquired from JDN in 2003 at a cap rate of 10%, and were sold at an average weighted cap rate of 7.22%. Developers Diversified retains a 14.5% ownership interest in the properties acquired by MDT. We remain responsible for all day-to-day operations of the properties, and receive its share of ongoing fees for property management, leasing and construction management, plus certain one-time fees for financing and due diligence. DDR also receives base management fees and incentive fees based on the overall performance of MDT relative to the S&P/ASX200. Including these recent transfers, the MDT joint venture owns 35 community center assets across the United States, totaling over 14 million square feet and representing approximately $2 billion in aggregate value.

In the beginning of the second quarter of 2005, DDR and Coventry Real Estate Partners, on behalf of the RVIP 7 joint venture, sold Richmond City Center located in Richmond, California, for approximately $13 million, and a portion of the Plaza at Puente Hills shopping center in City of Industry, California for $2.04 million. We acquired these assets from Burnham Pacific in 2002 for a cap rate in excess of 10%, which was more than 260 basis points above our weighted average disposition cap rate of 7.4%. These value added projects are generating a leverage to IRR to D — to DDR of approximately 20%, in addition to the fee income we are receiving. Moreover, we anticipate that our share of future promoted income associated with the remaining RVIP assets will range from $30 million to $40 million on a gross basis,

and $20 million to $30 million in FFO recognized income.

Regarding our January 2005 acquisition of 15 Puerto Rican shopping centers from CPG, we have opened a DDR regional office in a suburb of San Juan. In that office we employ a regional general manager, a tenant coordinator, and an administrative assistant. We've also hired four people for our property accounting group in Cleveland to handle the Puerto Rican assets. With the addition of the regional office in Puerto Rico, DDR now has a total of 18 regional offices housing leasing, property management, and/or development personnel.

On the personnel front, we have completed our 2005 hiring for our industry leading management training program. Joining the six program graduates who are now in our leasing development and new business development groups, and the two participants still in our 18-month rotation program, will be four outstanding individuals who will be graduating from Ohio State University, Brown University, Colgate University, and Hamilton College in May of this year. This program has allowed us to develop the future of DDR from within through a combination of formal training in a number of technical competencies; on the job training, learning at the side of our senior executives; in house and external educational programs and other opportunities not generally made available to entry level personnel.

At this time, I would like to turn the floor back to Scott for concluding remarks regarding guidance.

SCOTT WOLSTEIN: Thank you, David.

We reaffirm our previous guidance of $3.15 to $3.25 per share FFO for 2005. However, we would like to provide some additional clarity on the assumptions underlying our guidance. With respect to acquisitions, at this point we have not included any significant acquisitions in our 2005 guidance. However, we continue to evaluate potential opportunities as they become available in the market. We do anticipate additional land sale gains during the remaining three quarters of 2005, aggregating approximately $7 million. We are reaffirming our guidance, despite certain adverse factors that will effect earnings negatively in 2005. As Bill discussed, since our last conference call, we have substantially increased our budget expectations for interest expense, and our disposition activity which has been very effective in capitalizing on today's favorable pricing, has exceeded our expectations and of course, has a dilutive effect on earnings in the short term. As I indicated previously, we have completed our anticipated merchant building gains in the first and second quarter, which will have the effect of inflating FFO during those quarters. Despite the fact that our results for the first quarter is $0.90, and our second quarter is now projected to be in the low $0.80 per share range, we caution you to follow our guidance and avoid the temptation to extrapolate the first two quarters' results over the entire year.

At this point, I would like to open the lines to receive your questions.

OPERATOR: [OPERATOR INSTRUCTIONS]. Mike Bilerman, Smith Barney.

DAVID CARLISLE, ANALYST, SMITH BARNEY: Hi, it's David Carlisle with Michael Bilerman. Question for you on the Miami development. It looks like the cost of that increased sequentially. I was just wondering if the scope of the project had changed, or something in your cost structure changed there?

BILL SCHAFER: No. The scope of the project has not changed. And our costs haven't changed either. I think probably what you're seeing is the fact that we are under construction and we spend a significant amount of time on site work there, a lot of which was being funded through our public subsidies, and now that we're coming out of the ground with actual buildings, our investment is increasing. But the project itself, the scope has remained intact. And the — and has had the returns in the costs.

DAVID CARLISLE: What is the expected yield you expect there and when will you announce an anchor?

BILL SCHAFER: Our anticipated yield is approximately 11%. And we will have anchors announced at the ICSC in Las Vegas.

DAVID CARLISLE: And then following up on the comments on guidance, is there any expectation you may be selling more assets to the JVs this year? Now that you've met your merchant build gain target.

DAN HURWITZ: We're not projecting any further merchant building gains during the balance of the year. If we require additional capital to fund new initiatives, we always have the option to dispose of additional assets as part of our funding strategy, but none of that is budgeted at this point.

DAVID CARLISLE: And then with — I believe MDT has about 14 assets still for their right of first offer. Are there — are they expressing interest in acquiring those this year or — ?

DAN HURWITZ: Well, I think they'd like to acquire them whenever they can. I think that what should be pointed out is that a majority of the assets that are on that right of first offer list are in joint ventures with third party investors, and unless our joint venture partners are interested in disposing of those assets, they can't be offered to MDT. Some of those assets have actually — they're in a joint venture with DRA. We've recently refinanced and will certainly be held for the next few years at the very least.

DAVID CARLISLE: Okay. Then my last question is to get a little more detail on the gift card program, and what fees potentially DDR would be receiving from that?

BILL SCHAFER: Gift card program. What fees will we receive from that?

DAN HURWITZ: Well, we get — there's a number of fees that goes with the gift card program. But the numbers that I gave you are just our administrative fees that we receive for monitoring the program and managing the accounts. So again, we expect that to be $1 million by year three. And this is just Puerto Rico. This does not include the gift card program elsewhere. $1 million by year three and 2.5 million by year five. And we feel that those numbers, quite frankly, are conservative, based on the fact that gift card program, with the exception of [inaudible] Americas, have not been ruled out in Puerto Rico. We expect an enthusiastic reception.

DAVID CARLISLE: That's all I have.

OPERATOR: Chris Capolongo, Deutsche Bank.

CHRIS CAPOLONGO, ANALYST, DEUTSCHE BANK: Bill, I was just wondering, could you reconcile the gain on the financial statements to, I guess, what was released in the press release in January, which I think it was 17 million in January. Is there — was there a change in the calculation there or—?

BILL SCHAFER: No, I think there was — a portion of the sales I think that occurred in March, I don't know that — there may or — the fact we didn't disclose what the numbers were, or there was a portion of that that was a merchant bill. This, I believe, may be where the difference is there.

CHRIS CAPOLONGO: Do you know which assets those related — that related to?

BILL SCHAFER: It was the Plainville — it was in our taxable REIT subsidiary.

CHRIS CAPOLONGO: Okay.

SCOTT WOLSTEIN: Plainville, Connecticut.

CHRIS CAPOLONGO: Okay, Plainville. And then, just you mentioned the promoted interest that you'd be recognizing. Is that just a disproportionate share of the cash flows on operating properties, or ventures, or is it an actual one-time income item we'll see in 2005?

SCOTT WOLSTEIN: First of all, I want to clarify. We didn't say we would be recognizing them. What we said was that those promotes exist today in — if there was a disposition, that's what we would earn today.

CHRIS CAPOLONGO: Okay. Got you.

SCOTT WOLSTEIN: The — in terms of how those promotes are earned, there's really two different promotes. One in the — in one of the RVIP programs, we earn a current promote, which gives us a disproportionate share of cash flow on a current basis. And in most of the other promotes, they're basically a disposition where we get a disproportionate share of the proceeds of sale above a threshold.

CHRIS CAPOLONGO: Okay. And then just lastly, Bill, on G&A, were the costs of the Puerto Rican office in G&A in quarter? I guess maybe what the — the run rate came in a little high from last —

DAVID JACOBSTEIN: Yes. This is Dave Jacobstein. The costs of the Puerto Rico office are somewhat inconsequential. The reason the number was a bit higher than the run rate that had been indicated previous — previous calls was we had some payroll taxes that were — what they were because of incentive compensation that was paid in March per usual. We had some private REIT expenses relating to the MDT transaction where we had to set up some private REITs as part of the structure. We had some additional legal expenses because of the Jobs Creation Act. Some employment fees that were higher than budgeted because of some hires of some executives and other highly placed personnel. So in total it was about 13.5, 13.6 million. We think the run rate for the rest of the year will be around 13 a quarter — 13 million a quarter. Then

the good news on that is that we had budgeted 4.8% as a percentage of revenues this year down from 5.1% last year. And it looks like now even debt run rates of 13 a quarter, we're going to be in at around 4.5% of total revenues, including our share of joint ventures.

CHRIS CAPOLONGO: Thanks, very much.

OPERATOR: Josh Bederman, J.P. Morgan.

JOSH BEDERMAN, ANALYST, J.P.MORGAN: Hey, guys. Just a couple things. Bill, you're talking about your variable rate debt targets of 15 to 30%, and it depends on where you see the curve. Looks like after this offering you're about 28%. Can you talk about where you want to go from there, what your plans are, and what you're sort of seeing today?

BILL SCHAFER: Yes. I mean, we're comfortable in that range of the 15% to 30%. And as Scott indicated, we'll look to continue to dispose of certain assets at very good cap rates and so forth. So as we dispose of those assets, we'll — having the floating rate enables you to pay down debt pretty efficiently. But I would say that we're going to be probably around that 25% number anyway.

JOSH BEDERMAN: Okay. All right. And then one more thing. Obviously, you just mentioned you're talking about a little more disposition. Given what you're talking about with the promote a few minutes ago, any of those dispositions going to trigger any promotes this year?

SCOTT WOLSTEIN: There's nothing budgeted for this year in that regard.

JOSH BEDERMAN: Okay. Thank you.

OPERATOR: [OPERATOR INSTRUCTIONS]. Alexander Goldfarb, Lehman Brothers.

ALEXANDER GOLDFARB, ANALYST, LEHMAN BROTHERS: Hi, good morning.

SCOTT WOLSTEIN: Good morning.

ALEXANDER GOLDFARB: Just want to focus a little bit on the Caribbean acquisition. Just looking through the financials that you guys put out, it seems the margin is sort of similar to the core portfolio. Want to know what your thoughts are now that you've had the properties for a number of months in terms of any efficiencies that you may be able garner from the portfolio, or if we should think of any increase in NOI coming from the items such as the gift card program or increasing — bringing speciality tenants down, et cetera?

DAN HURWITZ: Well, clearly there — we are seeing efficiencies. The gift card program is a start of a larger program that we will be kicking off in July to brand all of our properties in Puerto Rico under one flag, if you will. And again, we think that the reception to that will be extremely enthusiastic. And the numbers that I gave you, we think are somewhat conservative, but we'd rather be on the conservative side, being that — given the fact that there's really no like gift card program on the island currently, so we're sort of breaking new ground.

On the ancillary income side, one of the things that struck us when we first look at this portfolio was that the current kiosks, et cetera, were 100% leased at acquisition, and that is not something that is necessary something to be proud of. When you're 100% leased in that category, it usually means that you're not charging enough. So we've increased the rates. We brought in a different group of tenants. We're looking at sponsorship packages like we do throughout our entire portfolio, and like I mentioned, CPG had budgeted $3.8 million in that category. Our underwritten income was $3.2 million, and we think first full year we'll hit about 6. So clearly, there are some positive synergies going on as we roll that portfolio into our national program.

ALEXANDER GOLDFARB: The 6 million, is — that's an '06 number or that's the rolling 12 months —

DAN HURWITZ: 12 months, '05.

ALEXANDER GOLDFARB: Okay, 12 months, '05. Okay. But in terms of what you've seen of the operations, insurance, et cetera, on the cost side, everything looks sort of in line from where you budgeted it, or is there any increase where you can save some money?

DAVID JACOBSTEIN: I think it's in line with what we had anticipated at the time of the underwriting, and at the time of the budgeting for this particular transaction in terms of the cost side.

ALEXANDER GOLDFARB: Okay. Thank you.

OPERATOR: Rich Moore, KeyBanc Capital Markets.

CHRIS CHAPMAN, ANALYST, KEYBANC CAPITAL MARKETS: Thanks. This is Chris Chapman actually this morning. How are you guys doing?

SCOTT WOLSTEIN: Good.

CHRIS CHAPMAN: I want to ask first about the merchant building gains and how to think about those going forward. I know you mentioned no more in your guidance for '05. Do you have any projections for '06?

SCOTT WOLSTEIN: No. We don't usually typically budget '06 until the fall of '05. As we start to see where our budgeted numbers come in line on operations, and as we start to get a better understanding of what our capital requirements will be for 2006, we'll be able to forecast with the same kind of precision we did this year, what kind of gains we will harvest in that year. But it's a little early for us to make that determination.

CHRIS CHAPMAN: Okay. I mean, I'm looking at your supplemental and it shows of your development properties now, you're expecting to place most of them in service after end of the year. Are any of those maybe earmarked or at least being considered for sales maybe to MDT?

SCOTT WOLSTEIN: Well, everything is considered for sale. It's just a matter of the circumstances at the time. I mean, it — we look at the assets as our assets, whether they're owned by DDR or owned by MDT. We're still are invested in them, we still manage them. It's really a question of allocation of capital and whose capital is best positioned to finance those assets going forward. It also largely depends on what our cost of capital is domestically versus what our cost of capital is down under. These decisions just aren't made a year in advance. They're really made much more opportunistically based on the capital market conditions that exist at a given time. Obviously, if the cap rate environment continues, as it is today, we would harvest — we could harvest significant gains from very few assets sales, because the value creation today is probably 500 basis points against the cost of these properties.

CHRIS CHAPMAN: All right. So would you say, then, that — that perhaps that's your best external growth opportunity is in the merchant building, or is it in development for your own portfolio? I'm assuming it's probably not an acquisition.

SCOTT WOLSTEIN: Well, I — the two are really not exclusive. The development activity and the merchant building gains are joined at the hip. One flows from the other and one generates capital in order to pursue more of the same. So it really isn't either/or, it's both. We will continue in this environment to pursue development as aggressively as we can. The only constraints really being our ability to find sites, human capital, and financial constraints. And clearly, our ability to sell assets to fund new development means there really aren't very many financial constraints. So, it really is — is primarily a function of finding the opportunities, getting them entitled, and having the people in place in order to pursue them to completion. But today, they're — we would not put a cap on development activity, because the ability to create value there is really unprecedented.

CHRIS CHAPMAN: Okay. Great. Do you guys have a target or an estimate for year-end '05 guidance — or occupancy, I'm sorry?

DAN HURWITZ: Our leased rate, we budgeted about 96%, and our occupancy rate was going to be in the low 95, I believe it was 95.2.

CHRIS CHAPMAN: Okay.

DAN HURWITZ: And just as a side, we're a little ahead of that now, because quite frankly we didn't have is the closures in the first quarter that we normally have. Usually our occupancy level dips in the first quarter and then comes back in the back half. We didn't have the same dip this first quarter as we've had in past years.

CHRIS CHAPMAN: Okay. Speaking of closures, what's the bankruptcy environment look like for you guys now? Are you seeing those subside or kind of maintain a current level or what's the deal?

SCOTT WOLSTEIN: Well. it's clearly subsided from its peak of a couple of years ago. Having said that, I think it's until the bankruptcy laws change dramatically, it's going to be a fact of life. We are gratified by the recent bankruptcy legislation in Washington, which is going to give retailers a little more pause before they continue this spade of chapter 11 filings, because it does give the landlord considerably more rights and it gives us much better opportunity to recover more

quickly from the down time that we might anticipate from developments. But I don't think we're going to see as much as we've seen in the past. Having said that, it's just a fact of life. It's just too beneficial to a retailer to be able to file chapter 11, get rid of its unperforming real estate and improve its bottom line that you just have to expect that's going to continue.

CHRIS CHAPMAN: All right. One final question. I couldn't help but notice when I ride by every once in a while that the new headquarters building is looking like it's going pretty well. I just wanted to know, I guess where you are in, as far as progress with that goes, when you're going to open it? What's the total estimated cost of the project, and then what kind of G&A savings or other sorts of savings are you going to see once that's in service?

DAVID JACOBSTEIN: This is Dave. I'll answer that. We intend to have the building opened and occupied in late September. It's on schedule, despite some pretty tough weather in Cleveland during the winter. It's also on budget. The total cost is around $8 million. And we're probably about a third of the way through that so far. The building is progressing nicely. In terms of G&A savings or efficiencies, we'll be a better company because we'll all be together and it will be more efficient. I don't think that there'll be savings in and of itself just because we're in one building rather than three. There may be minor savings in terms of G&A costs, but it's not significant. It's really more for having, one, better space for our employees, which obviously will increase morale and productivity, and two, just having more efficient operation because of the adjacencies of all of our Cleveland based groups.

CHRIS CHAPMAN: All right. Thank you very much.

OPERATOR: Carey Callaghan, Goldman Sachs.

DARREN KENNEDY (ph), ANALYST, GOLDMAN SACHS: It's Darren [ph] Kennedy with Carey Callaghan here. My question's a little bit longer term. And — in this current environment where our retail stocks have really suffered, and investor sentiment towards retailers is pretty negative, and I was wondering what kind of color you could give us on '06 and '07 leasing plans? And kind of the further — the longer term outlook for some of the expansion plans of some of these retailers and what you think they might be thinking? This is also kind of maybe your preview to what you'd expect to see at ICSC.

SCOTT WOLSTEIN: My view of a lot of that noise, quite frankly, is that people sometimes overestimate the macro issues and underestimate the shift in market share that really determine the fortunes of retailers. It's interesting to look at market perceptions of overall consumer demand and overall retail sales in the economy, which have consistently grown and I'm sure will continue to consistently grow in the future. But those numbers on the margin are almost insignificant, when you compare that to the massive transfer of market share that has occurred from some retailers to others. And that transfer of market share has benefited our business dramatically, and we think it will continue to. If you look at the plans of the major retailers in all the various formats, the community and power center retailers as a group plans to expand much more rapidly than all the other retailers as a group. Most of our tenants have expansion plans of about 8% per year in terms of new store count. And again, that's not because they think the retail sales in United States are going to grow by 8% a year. It's because they see soft spots out there in the competition where they think they can transfer market share from others to their bottom line.

I'll let Dan expand on that a little further.

DAN HURWITZ: Granted, that 24 to 36 months in the life span of our retail cycle is an eternity, right now, I will tell you that one of the reasons why we have had so many portfolio reviews early in the year is A, because we've been putting pressure on our people to do it, but, B, the retailers have been putting pressure on us, because they're very concerned about their ability to meet their open to buy for '06 and quite frankly, there are retailers that still have open to buy for 2005 and sitting down for the first time to discuss that in Vegas, usually it's too late. So we have not seen any pullback at all from our key retail group for either 2005 or 2006. And in fact, we had a recent portfolio review where a tenant was talking about '07 transactions. So the pace is picking up. The concern that the retailers have is quite frankly their ability to fill the slots. So they're — they are thinking much more in future years, and we have tenants that are locking in on development projects that would be an '07 project and they're just putting it in the win column and leaving it there, because they know come '06 when they're trying to fill '07, they're going to need those numbers in order to make their open to buy.

SCOTT WOLSTEIN: I might expand on that a little further, too. I mean, one of the things that a lot of people have talked about lately is the supermarket industry and sort of the competition from the super centers. I would tell you that the amount of consolidation of those retail sales into tenants like Wal-Mart are being constrained dramatically by artificial exclusives in tenant leases, that if left to the market place, without those constraints, that transfer of market share to Wal-

Mart and Super Target and Costco and so forth, would be accelerated by multiples. In our own portfolio, I would guess we have 15 to 20 Wal-Marts that would like to expand into super centers that can't, because they're in a center that has a supermarket that has a exclusive in the grocery business and they can't get entitled to build a new super center in the market. So there's — there's a lot of transfer of share to our tenants, and there's a lot more that will happen when some of these exclusivity clauses wind themselves down, either through lease expirations or through bankruptcies.

DARREN KENNEDY (ph): Okay. And it's definitely encouraging to hear that you're having discussions about '07 already. And that Wal-Marts and Targets with their 8% store growth plans haven't abated yet. There's market share gainers like Best Buy have already reduced their square footage growth plans. And I guess down the road, and luckily for you guys, it's way down the road, I guess when sales productivity starts to let up is when they finally start to cut back on their expansion plans. Have you seen any pressures at the margin on productivity for any of your categories of retailers?

DAN HURWITZ: We have not. And again, we don't look at comp store sales as much as we look at plans. I think we've discussed that in the past. Comp store sales can be skewed by variety of different mechanisms at the retailer level. But we really look at where the retailer is on plan, and when they tell us they're at 3% to 5%, they've been coming in at 3% to 5%. Some of those retailers have cut back what their expectations might be for plan. And they've reduced their inventory levels accordingly. But overall we see positive growth in a very healthy range, and clearly, growth that exceeds the inflation level.

SCOTT WOLSTEIN: Maybe one exception to that would be some of the retailers have learned that they haven't been able to maintain the same productivity gains by expanding existing units that they thought they would. So that we're seeing more of a demand for new stores, rather than taking existing stores and just making them bigger.

DARREN KENNEDY (ph): I guess the first step is to actually go the other way and come out with smaller footprint stores.

SCOTT WOLSTEIN: And that's happening, too. I mean, most notably Wal-Mart has shown a new receptivity to accept a store of almost any size, where they can penetrate in a major metro market and expand their market share.

DARREN KENNEDY (ph): Final question and I'll give back the floor. It's been a long time since you guys have seen same store NOI growth over 2%. But it has been fairly consistent in the 1.5 to 2% range. Is it redevelopment that you think might ever get you — will ultimately get you back above that level?

SCOTT WOLSTEIN: Yes. Clearly, that's a big part of it. But I mean it's — 2% growth in our business is nothing to sneeze at. We are constrained by the fact that we have a lot of long-term leases. There is one way that we could easily increase our same store NOI growth, and that would be to basically dispose a lot of the leases that we have that don't generate a lot of growth. But there's a balancing act there, which is, most of those leases are to AA and AAA or single A credits, that really I think are part of the DDR story in terms of what an investor is getting. And we really have to balance one against the other. If we sold all of our Wal-Mart exposure in the portfolio, we could easily accelerate our same store NOI growth probably by 100 basis points, but is it a better company when we dilute the credit quality of the portfolio by investing in only speciality stores? I think quite frankly, that is a big difference between our business and the mall business, and one that's often overlooked. If we operated our business the same way, we would have similar NOI growth, but we would have much less credit quality.

DARREN KENNEDY (ph): Understood. Thanks so much.

OPERATOR: [OPERATOR INSTRUCTIONS]. Eric Rothman, Wachovia Securities.

ERIC ROTHMAN, ANALYST, WACHOVIA SECURITIES: Good afternoon. Thank you very much. Kind of following up on the last point. It looked as though there was an acceleration in your small shop annualized base rent almost 9% in the first quarter. Is that indicative of a trend going forward? Is it just a blip? What can you tell us about that?

SCOTT WOLSTEIN: Well, I think it's just — it depends how much we have in lease expirations in a given quarter. The releasing spreads that we achieve have been fairly consistent on new leases in the high teens to low to mid 20s. And this quarter actually was under 20, which was really probably one of the lesser performances in terms of releasing spreads. A lot of it depends on the mix of renewals and new leases. But that kind of recrease [ph] in our small store leases shouldn't be extraordinary in terms of what we're able to achieve, because when we do have an opportunity to rewrite leases, we do generate significant spreads.

ERIC ROTHMAN: Sure. And in terms of your anchor bumps that you see coming up in the next year, two years,

how do those look? Are they any different than what we've seen in the past? I would imagine maybe a number of your properties are hitting their five and ten year anniversaries at this point.

SCOTT WOLSTEIN: None of that hits the numbers because we straight line it. So when you're looking at our FFO growth, you're not seeing anything, even though we have very significant bumps in our anchor tenant leases, none of that is reflected in the FFO growth that we're reporting. Because we're compelled to straight line that income.

ERIC ROTHMAN: Sure. Sure. And then I guess just lastly with respect to Puerto Rico changing gears a little bit. How have sales at the Pueblos gone? Is that — I know it's early to tell. We've been reading some press that that particular grocer, as many of them are, has come under extra pressure of recent. Have you seen that?

DAN HURWITZ: We have. Pueblo is clearly under pressure. And quite frankly, we viewed their real estate as an opportunity within this portfolio as other retailers, in particular Wal-Mart, continue to expand their market share on the supermarket side in Puerto Rico, the grocer — the local grocer which happens to be Pueblo in a lot of cases, struggles. They don't have the capital to redevelop their stores to make them look contemporary and exciting the way a Wal-Mart Supercenter does, and as a result, the've lost market share and continue to lose market share.

ERIC ROTHMAN: With respect to the retailers that you brought down to Puerto Rico, were many of them new retailers that don't have any operations on the island, and you're — or are these mostly retailers who already have existing operations on the island that have expressed interest?

DAN HURWITZ: Well, on the permanent leasing side we've been focusing our attention on retailers at that are not currently on the island, and we're trying to get them interested in the island. On the temporary tenant side, in some cases, there are people that are already there in a limited capacity, or they're people who have a subsidiary, for example, on the sponsorship side. Clearly Coke and Pepsi are already on the island, and they were a part of our tour, and they already have a significant presence, respectively. Yet there are opportunities that haven't been cultivated with them from a sponsorship perspective that we're trying to take to the next level.

ERIC ROTHMAN: Interesting. Thank you very much.

OPERATOR: Chris Brown, Banc of America Securities.

CHRIS BROWN, ANALYST, BANC OF AMERICA SECURITIES: Good morning. Just real quick. With the interest costs going up a little bit, it seems like the coverage metrics have slipped slightly. And I know kind of a couple of years ago, you guys had talked about trying to get to a solid mid BBB ratings. Is there any update on where you stand there? Where you see yourselves for the next 12 months?

SCOTT WOLSTEIN: Well, we have a solid BBB rating at Standard & Poor's with the stable outlook. We think that's the appropriate rating for the Company. We think the Moody's rating of Baa3 is inappropriate. We've expressed that to them on many occasions. And we think that it is an opportune time for them to reflect on the fact we've significantly added equity to the balance sheet, and they've indicated in the past that when they see that happening they would be willing to reconsider the rating. And frankly, I think that — my own opinion is if you compare the metrics to those of our peer group, it's very difficult to justify the current rating.

CHRIS BROWN: Great. That's exactly the color I was looking for. Thank you.

OPERATOR: Ladies and gentlemen, there are no further questions at this time. That will conclude our call for today. Thank you for joining us.

SCOTT WOLSTEIN: Thank you.

DAVID JACOBSTEIN: Thank you.

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The United States Playing Card Company
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Harbro, LLC.

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177.	*People*	May 16, 2005	... had a girls' weekend in Vegas ...
178.	*Plain Dealer*	May 16, 2005	... whether it's gambling in Vegas or on the stock market.
179.	*The Providence Journal*	May 16, 2005	... Mora will face Manfredo in Vegas.
180.	*The Tennessean*	May 16, 2005	... wear "We're in Vegas" like insurance convention attendees wear "Hello, my name is..."
181.	*Time Magazine*	May 16, 2005	... to a former Vegas show girl
182.	*Bicycle Retailer and Industry News*	May 15,2005	"What happens in Vegas stays in Vegas: ...
183.	*The Boston Globe*	May 15, 2005	While major Vegas shows usually ...
184.	*Buffalo News*	May 15, 2005	Athletics could put baseball in Vegas by ...
185.	*Detroit Free Press*	May 15, 2005	... you can ride some of the most thrilling coasters in Vegas ...
186.	*They Myrtle Beach Sun-News*	May 15, 2005	Vegas is certainly big for us, and there are some destination out West ...
187.	*The New York Times*	May 15, 2005	... events for which the wealthy Vegas visitors ...
188.	*Newsday*	May 15, 2005	... when I was busy working in Vegas.
189.	*The Record*	May 15, 2005	You get to Vegas and you look around ...
190.	*The Record*	May 15, 2005	Reality is what Vegas says it is ...
191.	*Salt Lake Tribune*	May 15, 2005	... The Beatles played Vegas ...
192.	*DOLANS UNSCRIPTED* TV Show - CNN	May 14, 2005	... slot machines are the most popular game in Vegas ...
193.	*Las Vegas Review-Journal*	May 14, 2005	... Vegas is getting big, but it's still like a small town.
194.	*Milwaukee Journal Sentinel*	May 14, 2005	... I was in Vegas, and it took over.

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195.	*The Post-Standard*	May 14, 2005	Vegas firm targets casino for Buffalo's outer harbor
196.	*The Times Union*	May 14, 2005	We've been to Vegas, Chicago.
197.	*The Associated Press*	May 13, 2005	... extorting Celine Dion's husband in Vegas
198.	*The Boston Herald*	May 13, 2005	What's built in Vegas stays in Vegas.
199.	*Albuquerque Tribune*	May 12, 2005	Then there's the body discovered outside of Vegas.
200.	*Albuquerque Journal*	May 12, 2005	I love my state, but when you fight in Vegas you get that exposure
201.	*Albuquerque Journal*	May 12, 2005	... football or basketball teams are required to travel to Vegas ...
202.	*Arkansas Democrat-Gazette*	May 12, 2005	... we'd have a job in Vegas tomorrow.
203.	*Business Wire*	May 12, 2005	... as part of the BV Vineyard to Vegas tour.
204.	*The Dallas Morning News*	May 12, 2005	We're going to Vegas and you're coming with us.
205.	*The Express*	May 12, 2005	She is no Britney Spears deciding to get married in Vegas on a whim.
206.	*Las Vegas Review-Journal*	May 12, 2005	... Howard Hughes during his mania-filled Vegas years.
207.	*Las Vegas Review-Journal*	May 12, 2005	... none of the glamour that drove Old Vegas.
208.	*Los Angeles Times*	May 12, 2005	A slammin' club is now a must for Vegas hotels ...
209.	*SCARBOROUGH COUNTRY* TV Show - MSNBC	May 12, 2005 10:00 pm EST	She ran away, went to Vegas.
210	*The Myrtle Beach Sun-News*	May 12, 2005	Thursday Vegas Get-Away
211.	*TALK OF THE NATION* Radio Show - NPR	May 12, 2005 3:00 am EST	I enjoy Vegas.
212.	*TALK OF THE NATION* Radio Show - NPR	May 12, 2005 2:00 am EST	Vegas was going through one of its bust periods ...
213.	*The Orange County Register*	May 12, 2005	... 20 minutes down the road from Vegas ...
214.	*The San Diego Union-Tribune*	May 12, 2005	The Tide went 3-1 in Vegas ...
215.	*South China Morning Post*	May 12, 2005	... at the slots one night in Vegas.
216.	*The Sports Network*	May 12, 2005	... the biggest concentration in downtown Vegas.
217.	*Tampa Tribune*	May 12, 2005	... who will head to Vegas this weekend
218.	*Winston-Salem Journal*	May 12, 2005	You have a better chance in Vegas than you do farming.
219.	*FDCH Political Transcripts*	May 12, 2005	Re Social Security reform ... lose it in Vegas.

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220.	*Chicago Tribune*	May 11, 2005	... to reveal details about that time in Vegas when ...
221.	*Cleveland Scene*	May 11, 2005	... and becoming a dancer in Vegas?
222.	*CNN CROSSFIRE* TV Show - CNN	May 11, 2005 4:30 pm EST	... what happens in Vegas should stay in Vegas.
223.	*Cox News Service*	May 11, 2005	Chavez also left Vegas with a torn rotator cuff ...
224.	*Cox News Service*	May 11, 2005	... he feels more like Vegas, projecting a sort of Redneck Rat Pack image...
225.	*Daily Star*	May 11, 2005	The childhood pas wed in Vegas ...
226.	*Desert Morning News*	May 11, 2005	,,, it's still about the only thing in Vegas I'll bet on.
227.	*FD Wire*	May 11, 2005	Then there's a nine nights' stays at one of the hotels in Vegas ...
228.	*Geelong Advertiser*	May 11, 2005	We went to Vegas for the final round ...
229.	The Journal News	May 11, 2005	There's even a half-iron in Vegas now. ...
230.	Comtex News Network, Inc.	May 11, 2005	... with new businesses and that created excitement in Vegas.
231.	Los Angeles Times	May 11, 2005	... which, in Vegas time, might as well have been the 1850s.
232.	The Miami Herald	May 11, 2005	Sunday, Vegas turns 100 years old.
233	DATELINE NBC TV Show - NBC	May 11, 2005 8:00 am EST	Did they kill a Vegas Millionaire ...
234.	The News & Observer	May 11, 2005	Folks are going to Vegas
235.	The News-Press	May 11, 2005	... but that's not enough for Vegas
236.	Ottawa Citizen	May 11, 2005	At the Vegas run we're putting together ...
237.	Palm Beach Post	May 11, 2005	... saying they're too much like Vegas-style gambling machines.
238.	Philadelphia Daily News	May 11, 2005	.. of dollars from a Vegas strip club owner.
239.	Riverfront Times	May 11, 2005	... and go see this Vegas virgin ...
240.	The San Diego Union-Tribune	May 11, 2005	A lot of us go down to Vegas quite a few times ...
241.	SF Weekly	May 11, 2005	... that belongs at a Vegas wedding?
242.	St. Petersburg Times	May 11, 2005	... You judge free trips to Vegas, ...
243.	The Toronto Sun	May 11, 2005	... watching from a sports book in Vegas, ...
244.	The Toronto Sun	May 11, 2005	... will be held in Vegas for Celtic backers.
245.	CNN.com	May 11, 2005	Prosecutors say Chao went to Vegas on a desperate bid ...

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246.	adweek.com	May 10, 2005	... with any of the big new hotels in Vegas.
247.	Chicago Tribune	May 10, 2005	Weekend Marriage in Vegas
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252.	*FD Wire*	May 10, 2005	... weather-related delays in Arizona, Vegas, and some other areas
253.	*Fort Worth Star Telegram*	May 10, 2005	... Including that crazy 55-hour marriage in Vegas ...
254.	*Las Vegas Review-Journal*	May 10, 2005	If Vegas slacks off, stocks may go down ...
255.	*Las Vegas Review-Journal*	May 10, 2005	You look at us, you look at Coronado, you look at Vegas ...
256.	*The Miami Herald*	May 10, 2005	... a show currently housed only in Vegas and Orlando...
257.	*Monterey County Herald*	May 10, 2005	I feel like I'm in Vegas when I hear ...
258.	*TALK OF THE NATION* Radio Show - NPR	May 20, 2005 2:00 am EST	... met anybody who could beat the game in Vegas?
259.	*Philadelphia Daily News*	May 10, 2005	Boxing writers dinner brings out the stars in Vegas
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261.	*Primedia Insight*	May 10, 2005	... fixed wireless broadband service in the Vegas market.
262.	*University Wire*	May 10, 2005	I'll be in Vegas next week ...
263.	*The Washington Post*	May 10, 2005	... as a Joan Rivers impersonator in Vegas since 1985.
264.	*The Western Mail*	May 10, 2005	Here they are again, this time kissing in Vegas.
265.	*zaptoit*	May 10, 2005	As I've always said, don't take me to Vegas.
266.	*adweek.com*	May 9, 2005	...What happens in Vegas, stays in Vegas.
267.	*Akron Beacon Journal*	May 9, 2005	This place has a Vegas feel to it; ...
268.	*The Associated Press*	May 9, 2005	It's mor laid-back here than in Vegas, ...
269.	*Belleville News-Democrat*	May 9, 2005	Back in Vegas, she even went back to work ...
270.	*Birmingham Post*	May 9, 2005	Selfridges is having a Vegas Supernova three weeks ...
271.	*Network World*	May 9, 2005	To say they're bullish might be the safest bet in Vegas.

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272.	*The Daily Oklahoman*	May 9, 2005	... Vegas is so cutthroat ...
273.	*Daily Deal/The Deal*	May 9, 2005	But for all of Macau's potential to rival Vegas ...
274.	*Daily News Record*	May 9, 2005	... influx of international clientele and the booming Vegas economy as motivations ...
275.	*Daily News Record*	May 9, 2005	... or The Exclusive in Vegas and it's obvious that while U.S. companies shine in upper-moderate to better men's wear ...
276.	*Daily Variety*	May 9, 2005	... shields the casino from the rest of Vegas.
277.	*eWeek*	May 9, 2005	...the fun he could have with such an easily concealed videocam in Vegas ...
278.	*Forbes*	May 9, 2005	... a compulsive gambler waylaid en route to Vegas.
279.	*Furniture Today*	May 9, 2005	Bedding majors flock to Vegas
280.	*Furniture Today*	May 9, 2005	... World Market Center in Vegas.
281.	*The Hotline*	May 9, 2005	What happens in Vegas ...
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283.	*InfoWorld*	May 9, 2005	What happens in Vegas stays in Vegas ...
284.	*Las Vegas Review-Journal*	May 9, 2005	Especially here in Vegas, we're going away from glass-topped tables to stone...
285.	*Las Vegas Review-Journal*	May 9, 2005	... environment and conservation issues during its Vegas visit.
286.	*Los Angeles Times*	May 9, 2005	,,, is crammed with trucks and commuters, not Vegas-bound tourists.
287.	*Los Angeles Times*	May 9, 2005	... what happens in Vegas stays in Vegas.
288.	*Maclean's*	May 9, 2005	...was married for a few hours in Vegas before later marrying a backup dancer.
289.	*Maclean's*	May 9, 2005	I came back from a week in Vegas ...
290.	*Milwaukee Journal Sentinel*	May 9, 2005	It stands to reason, though that the Killers formed in Vegas ...
291.	*National Law Review*	May 9, 2005	,,, what happens in Vegas winds up at the Trademark Office.
292.	*Omaha World-Herald*	May 9, 2005	... the biggest story of the weedend in Vegas.
293.	*People*	May 9, 2005	At a recent Vegas convention, the stood far apart, ...

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294.	*PR Week*	May 9, 2005	As Vegas enjoys a continuing economic boom ...
295.	*PR Newswire US*	May 9, 2005	But Vegas is not just for grown-ups.
296.	*PR Newswire US*	May 9, 2005	... some of the great insights that these Vegas zealots impart.
297.	*The Sports Network*	May 9, 2005	All in all, it was a great Derby for Vegas race books.
298.	*Sports Illustrated*	May 9, 2005	... I went into a little tattoo joint in Vegas run by a guy ...
299.	*Star Tribune*	May 9, 2005	When you do a show about Vegas, you can do it about almost anything ...
300.	*Telegraph Herald*	May 9, 2005	It can be short: " Went to Vegas. Will call."
301.	*Time Magazine*	May 9, 2005	... exudes an anti-Vegas, almost Buddhist quietude.
302.	*The Times* London	May 9, 2005	Romance is an odd commodity for a town like Vegas ...
303.	*CNN.com*	May 9, 2005	...during "a crazy weekend in Vegas: and shooting on location is ...
304.	*Sunday News*	May 8, 2005	... Bowl your way to Vegas, Have a Ball ...
305.	*GOOD MORNING AMERICA TV Show - ABC*	May 8, 2005 8:00 am ET	... And so they got together in Vegas and we'll show you ...
306.	*Akron Beacon Journal*	May 8, 2005	... and enjoyed the Vegas atmosphere, especially BINGO.
307.	*The Atlanta Journal-Constitution*	May 8, 2005	Back in Vegas, she even went back to work ...
308.	*Biloxi Sun Herald*	May 8, 2005	... are as common as cabs in places like Vegas, ...
309.	*Biloxi Sun Herald*	May 8, 2005	... call off the nuptials rather than hop a bus to Vegas, ...
310.	*The Boston Herald*	May 8, 2005	... to compete live on MTV's "TRL" in Vegas.
311.	*The Boston Herald*	May 8, 2005	... I'm going to go out to Vegas and Marcus is going to come out to Vegas ...
312.	*Chicago Tribune*	May 8, 2005	... the latest example of a Vegas gone vogue.
313.	*The Clarion-Ledger*	May 8, 2005	... when Sammy Davis Jr. could perform in Vegas ...
314.	*The Commercial Appeal*	May 8, 2005	If I'm in his shoes and Vegas calls and says ...
315.	*Daily Star*	May 8, 2005	... Mike will help Vegas celebrate its 100th anniversary...
316.	*Daily Star*	May 8, 2005	The injured were taken to a Vegas hospital ...

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317.	*The Dallas Morning News*	May 8, 2005	... if the groom had run to Vegas instead of the bride.
318.	*The Denver Post*	May 8, 2005	... in the cool lighting that reminds me of Vegas ...
319.	*Herald News*	May 8, 2005	... rather than hop a bus to Vegas ...
320.	*The Honolulu Advertiser*	May 8, 2005	The Vegas Family Vacation offers a resort ...
321.	*Las Vegas Review-Journal*	May 8, 2005	... has always been part of the Vegas visitors' menu...
322.	*The Leaf-Chronicle*	May 8, 2005	... to live on as the names of Vegas hotels ...
323.	*The Miami Herald*	May 8, 2005	Lady Luck's May of Vegas
324.	*The Miami Herald*	May 8, 2005	With Vegas-style Class III gambling ...
325.	*Monterey County Herald*	May 8, 2005	... passed the time on a chartered plane to Vegas ...

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People

May 16, 2005

SECTION: TUBE; Pg. 101

LENGTH: 718 words

HEADLINE: The Princess Diaries;
Her life now a reality show, blue-blooded actress Catherine Oxenberg opens up about her family and her battle with bulimia

BYLINE: Chris Strauss; Pamela Warrick in Los Angeles

BODY:

It's a typical day in the life of this Princess. Right below her bedroom window are four exceptionally energetic--and loud--kids. "Mom! Dad! The cat's on the trampoline!" "Cappy's in the pool with his clothes on!"

"Here we go," says former Dynasty star Catherine Oxenberg, seemingly unfazed by the chaos over which she presides. Of course, compared to the personal havoc Oxenberg, the daughter of Princess Elizabeth of Yugoslavia, has faced in her 43 years, noisy kids hardly cause concern. For 20 years, she suffered from bulimia in secret; then, while trying to overcome the eating disorder, she recovered memories of sexual abuse from her childhood. "Things are not always as they seem," admits Oxenberg.

It's her willingness to discuss her personal history that led to the creation of I Married a Princess, a new Lifetime reality show that stars Oxenberg and her 36-year-old husband, actor Casper Van Dien, their two daughters Celeste, 1, and Maya, 3; her daughter India, 13; and his son Cappy, 11, and daughter Gracie, 8. "When you feel like you can't stop something, you don't want to admit it," she says of her bulimia. "Now that I'm not doing it anymore, I tell everybody!"

Named after her mother's ancestor, Catherine the Great of Russia, Oxenberg--who grew up in London--began bingeing and purging in her teens. A friend at boarding school taught her how to make herself throw up, and she lost 15 lbs. after graduating from high school, dropping to 95 lbs. (at 5'5") by the time she entered Columbia University. Finding success in modeling, she quit school and later began acting, playing Princess Diana in a TV movie at age 21 and landing the role of Amanda Carrington on Dynasty two years later. All the while, she was throwing up almost every time she ate; "it became a spontaneous reflex, which was terrifying," she says. The bulimia took its toll; the stomach acid from vomiting began rotting her teeth, forcing her to undergo several root canals in her early 20s. (On I Married a Princess, Oxenberg is filmed going to her dentist for a dental implant.)

She sought different types of therapy, but nothing helped until she met with meditation guru Deepak Chopra in 1987. "He said to me, 'Are you sure you've never been sexually abused?'" she recalls. "Over the next few years, it began to come back to me, first in dreams and at the end I was reliving it. It was a slow process. But I knew it was connected to the bulimia." (She won't name the relative who she says abused her when she was a toddler.) In 1992 Oxenberg finally checked into a treatment center. "I truly believe the eating disorder is gone," she says. "The discovery of what was at the bottom of it lifted me, and I walked into a different phase of my life."

Meeting Van Dien, the hunky action hero of Starship Troopers, on the set of The Collectors in 1998 ushered in another phase. At the time, she was still sporting a ring from her annulled 12-day marriage to Hollywood producer Robert Evans ("A wacky, spur-of-the-moment decision," she says of those nuptials). Van Dien recalls, "She walked on the set and I said, 'I guess whoever you marry next is to going to have to buy you something pretty substantial to be

bigger than that.'" Seven months and an 8.3 carat diamond later, the couple were married in Vegas by an Elvis impersonator. Today they share a 4,000-sq-ft. Malibu home with five kids, a cat, a golden retriever--and during filming, a handful of cameramen. "When Catherine first came up with this idea, I was totally against it," says Van Dien of the show. "Sometimes there can be a bit too much honesty. But we had a big family meeting, and everyone wanted to do it."

So how honest are we talking? In the course of the 13 episodes, the couple reveal that Van Dien was also abused as a child, cheated on Oxenberg four years ago and recently underwent a vasectomy. "We put pretty much everything out there for the cameras," says Van Dien. And why not, asks his wife. "We have really made it through so much as a couple," says Oxenberg. "I don't want people to think we are always outrageously happy, but I want them to see what we do to face the challenges of our togetherness as best we can."

By Chris Strauss. Pamela Warrick in Los Angeles

GRAPHIC: COLOR PHOTO: Photographs by BRAD HINES "I was so embarrassed and worried because I couldn't stop no matter what I tried," says Oxenberg (at home in Malibu) of her 20-year struggle with bulimia. "I could have had a heart attack."; COLOR PHOTO: EVERETT, In 1985 Oxenberg (with Joan Collins, John Forsythe and Linda Evans) married a prince on Dynasty.; COLOR PHOTO: EVERETT, As Johnny Rico, Van Dien battled a race of alien insects in the 1997 movie Starship Troopers.; COLOR PHOTO: Photographs by BRAD HINES "We have a lot of princesses in this family, and I love them all," says Van Dien (at home with, from left, India, Celeste, Oxenberg, Maya, Gracie and Cappy). "Maya likes to tell me, 'Mommy is a princess and you are a person.'"

LOAD-DATE: May 5, 2005

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Copyright 2005 Time Inc.
People

May 16, 2005

SECTION: SCOOP; Pg. 28

LENGTH: 71 words

HEADLINE: Nick & Jess: Apart Again

BYLINE: SCOOP CONTRIBUTORS Olivia Abel; Marisa Wong; Jennifer Wren;, Karen Nickel Anhalt; Andrea Billups; Margi Blash; Champ Clark; Joanne Fowler; Dede Gallagher; Chris Gardner; Katy Hall; Mary Hart; Isoul Harris; Carla Hay; Oliver Jones; Kim Lansing; Sofia Larsson; Peter Mikelbank; Gail Nussbaum; Simon Perry; Monica Rizzo; Pamela Warrick

BODY:

After performing for U.S. troops abroad, Jessica Simpson and hubby Nick Lachey entertained themselves--in separate countries. Simpson had a girls' weekend in Vegas, attending the Hard Rock's 10th-anniversary events before her entourage joined Fred Durst at the Body English club, where Simpson danced, mainly alone. Lachey, meanwhile, club-hopped in Stockholm, where he was recording songs for his upcoming solo album.

GRAPHIC: TWO COLOR PHOTOS: ALEX BERLINER/BEIMAGES, Simpson (April 29) watched Coldplay and partied with British pop star Robbie Williams (above) in Las Vegas.; COLOR PHOTO: AFTON BLADET, In Stockholm, Lachey partied with Swedish singer Sofia Kallgren (center) and her friends.

LOAD-DATE: May 5, 2005

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Copyright 2005 Plain Dealer Publishing Co.
Plain Dealer (Cleveland)

May 16, 2005 Monday
Final Edition; All Editions

SECTION: BUSINESS MONDAY; Pg. E1

LENGTH: 707 words

HEADLINE: Beverage dealer now buying buildings, too

BYLINE: Marcia Pledger, Plain Dealer Reporter

BODY:

MY BIGGEST MISTAKE ... AND HOW I FIXED IT

By Alan Iacofano, as told to Plain Dealer reporter Marcia Pledger

Company: World Wines Beverage & Liquor

Owner: Alan Iacofano

Founded: 1983

Headquarters: Mentor

Employees: 6

I've always been conservative. I was 22 with a wife and two kids when I won the lottery for $67,000. Believe it or not, I held on to most of that money for six years.

I ended up putting the money toward buying out my father's business, Shoregate Beverage & Liquor, in Willowick. I had no intention of following in his footsteps, but he had spent 35 years building the business, and I wanted to keep it in the family. At the time, I was managing a scrap metal business, and I really enjoyed it.

Fourteen years after I took over my father's business, I bought two liquor agencies in Fairport Harbor and Chardon with money I had saved. I needed a challenge, and I got it. Both stores were pretty run down, and I worked hard to renovate and turn the businesses around.

I barely got out of high school, but I know what it takes to build a successful business: Put your customers first and hire good people. I've had four businesses, and three of them were bought when the businesses were not for sale.

But one thing that I never thought about was residual income. My biggest mistake was not buying a building until last year. The only thing I had ever owned was goodwill and inventory. I thought about all the millions I spent on rent throughout the years and realized it was time to stop paying rent and start paying myself.

When I bought my liquor agencies, I should have tried to either buy the buildings they were in or move them to another location. If I had done that, I would have been a property owner regardless of what I had done with the businesses.

I should have sought out more financial advice a lot sooner. I waited until I had a 22-year banking relationship before I got a $500,000 loan from my bank and another $500,000 from the Small Business Administration. Six months

ago, I bought an 18,000-square-foot strip shopping center and used half the space to build World Wines Beverage & Liquor.

Our store is four times larger than our former Mentor location, and we offer one of the largest wine selections on the East Side. The new space has enabled us to attract an entirely different customer base, from the casual drinker to the connoisseur. We sell bottles that range in price from $3.99 to $399.

I still maintain that the keys to this business are having the right people behind the counter, a nice selection of products and always listening to the customer. But as a business owner who is aging, I'm now thinking more about what it will take to semi-retire. I won't ever retire. I'm hoping that this building will be paid off in 15 years, my children will take over and I'll live off rental income.

Even though I'm basically a conservative guy, I am a risk taker outside my business, whether it's gambling in **Vegas** or on the stock market. But with six kids to raise, I've always been worried about not succeeding in business. I always wanted to self-finance because I was afraid of not being able to pay off debts.

That wasn't the only reason I didn't take out a loan sooner. First, I had to become more confident in what I was doing. I had to get to the point where it no longer felt like a big risk to me. The other problem was that I was so busy with day-to-day operations - book work, physical labor and customer service - that I lost track of that long-term plan. In my case, I never set a long-term goal for my business. I set a lot of small goals that I achieved, but I never had a long-term business plan.

I'll never forget being so proud several years ago when we finally grossed $1 million in a year from beer and wine sales. What I wasn't looking at was where that money was going. I had three locations, three rental payments, three managers and several employees to pay. Now our goal is set at over $1 million at one location in our first year of business.

Years ago one of my employees told me, "we work harder not smarter." Now I'm trying to work smarter - not harder.

Have a mistake to share? Contact Marcia Pledger, 216-999-4813 or mpledger@plaind.com.

For more "My Biggest Mistake" pieces, go to www.cleveland.com/biggestmistake/plaindealer

GRAPHIC: C.H. PETE COPELAND THE PLAIN DEALER

LOAD-DATE: May 17, 2005

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Copyright 2005 Providence Publications, LLC
The Providence Journal (Rhode Island)

May 16, 2005 Monday
All Editions

SECTION: NEWS; Pg. A-01

LENGTH: 505 words

HEADLINE: Manfredo to fight in Vegas for $1 million

BYLINE: ANDY SMITH, Journal Television Writer

BODY:

Viewers of the boxing reality show The Contender cheer as "The Pride of Providence" beats Alfonso Gomez Jr. to advance to the main event, which NBC will air live on May 24.

Now it's official. Providence boxer Peter Manfredo Jr. will fight for a $1 million purse on May 24 in Las Vegas as one of the two finalists on NBC's boxing reality show The Contender.

On last night's episode, Manfredo beat Alfonso Gomez Jr. to advance to the finals.

Manfredo watched the show, along with a large, boisterous crowd of family and friends, at a viewing party at the Hi-Hat club, in Providence's Davol Square.

Manfredo knew exactly what was going to happen, because the fight was filmed for The Contender last fall. But the contract he signed with NBC required strict confidentiality.

"It's great that it's actually out now," Manfredo said after the episode aired. "I don't have to hide it anymore."

In Las Vegas, he'll face either Jesse Brinkley or Sergio Mora, who will fight on next week's episode of The Contender, which airs Sunday nights at 8.

Several boxing Web sites are predicting that Mora will face Manfredo in Vegas. Manfredo knows the outcome of that bout too, but he can't tell.

What no one knows is who will win the million, because the final fight in Las Vegas will be broadcast live.

"I'm ready. I've been training extremely hard for this fight," Manfredo said. "It's reached the point where I want to get it over with."

The victory over Gomez was particularly satisfying for Manfredo because Gomez had beaten him on the very first episode of The Contender. Normally, that would have meant Manfredo was off the show.

But another fighter became ill with chicken pox and had to drop out. The other fighters got to vote someone back, and they picked Manfredo.

"I want a rematch. Give me the rematch with Alfonso," Manfredo said on last night's Contender episode. As shown on the screen, the rematch was a brutal slugfest.

Manfredo said he didn't think it was as close as it looked.

"He's a tough fighter, but I felt I easily controlled the fight," he said. "They edited it to make it look closer."

At the Hi-Hat last night, a big viewing screen dominated the spacious club; Peter Manfredo T-shirts were on sale near the entrance. The crowd cheered almost every time Manfredo's face appeared on camera.

During the fight itself, there were more cheers every time Manfredo landed a punch. When Gomez connected, the Hi-Hat crowd went "Ooooooooh."

When it was over, there was a chant of "Peter! Peter! Peter!" then a hush just before the judges' decision was announced. As soon as the words "the Pride of Providence" came out of the ring announcer's mouth, a roar went up at the Hi-Hat that obscured everything else.

Manfredo was suddenly surrounded by TV camera crews and assorted well-wishers. The Pride of Providence is off to Las Vegas.

* DIGITAL EXTRA:

Take a multimedia look at Rhode Island boxer Peter Manfredo Jr., narrated by Journal sports writer Rob Lee, and recap a profile of Manfredo by Journal staff writer Andy Smith, at: http://projo.com/

LOAD-DATE: May 17, 2005

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Copyright 2005 The Tennessean
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The Tennessean (Nashville, Tennessee)

May 16, 2005 Monday 1st Edition

SECTION: MAIN NEWS; Pg. 1A

LENGTH: 787 words

HEADLINE: ACM finds itself after 40 years, move to Vegas

BYLINE: PETER COOPER

BODY:

West Coast-based awards similar to, yet different from CMA show

By PETER COOPER

Staff Writer

LAS VEGAS -- Bob Romeo has a family farm back in Iowa, and the folks he knows there are well aware that he heads up a country music trade organization that puts on an awards show.

They aren't always sure, however, just which awards show it is that he helps bring to televised life.

"I don't think the fans at home know the difference," said Romeo, executive director of the Academy of Country Music, which puts on its 40th-anniversary awards show tomorrow (7 p.m., CBS). "It's a constant struggle to brand the logo. There's the ACMs, the CMAs ... . They're both three-hour shows. My friends in Iowa just know I work for the one in Las Vegas."

Having moved three years ago from Los Angeles to Nevada, the ACMs wear "We're in Vegas" like insurance convention attendees wear "Hello, my name is ... " name tags. The glittering desert city has helped give the show what it was lacking at the turn of the century: an identity.

The Country Music Association Awards -- which are usually held in Nashville but will move to New York City for an appearance this November -- are positioned as sober and meaningful, like the Oscars on twang. Country Music Television's Nashville-based awards show is over-the-top and heavy on performances and comedy. The ACM blends those extremes: it's intended as a blowout party where artists still sometimes get emotional about the outcome.

"The energy feels a little different at this show, mostly because it's in Vegas and it still feels sort of 'new' to have it out here," said Lee Ann Womack, who will sing I May Hate Myself In The Morning on the show tomorrow.

Four decades ago, the ACMs began as a West Coast reaction to the Nashville-dominated country industry. The show was a statement maker, asserting that California artists such as Buck Owens and Merle Haggard made country music as vital and commercially appealing as the stuff recorded in Music City.

As such, the academy was something of a rival organization to Nashville's CMA. They were both charged with furthering country music's scope and reach, but they had different notions about what sounds and artists deserved greater exposure.

"The West Coast faction felt they'd been overlooked by the Nashville side of the industry, which, as I understand it, is what precipitated the formation of the academy," said CMA Executive Director Ed Benson. "But those days have long since passed. Now, there are more similarities than differences."

Romeo agrees that the two trade organizations now seek to augment rather than to compete.

"Years ago, we represented the West Coast country scene," he said. "But when you think of the country music industry now, it's Nashville. I support Ed and the CMA, and I hope they support us. The thing we've wrestled with here is: What makes this show different from the CMAs?"

Upon taking over as ACM director 1 1/2 years ago, Romeo sought to identify and seize upon those differences. The ACM show now has more of a concert feel, it features a fan-voted award (unlike the CMA show, which is all industry voted) and it sponsors several fan-friendly, artist-intensive events during the week, such as a Vince Gill-hosted golf tournament, a celebrity motorcycle ride and a new artists' concert.

"They've capitalized by creating events and activities that allow the artists to be together out there," Benson said. "They're trying to make the event more than just a television show."

For most fans, neither the CMAs nor the ACMs are anything more than a television show, and the shows remain similar enough in intent and content to be mistaken for each other.

"Neither one of us has done a good enough job of making sure people can distinguish," Benson said. "In a larger sense, there are too many awards shows, and that hurts our value. But in country music's case, it's good to have two shows on network television that are approximately six months apart. It's a great double dip." ò

Want to watch?

The Academy of Country Music Awards, featuring appearances by Kenny Chesney, Gretchen Wilson, Tim McGraw, George Strait and many others, will be aired tomorrow, live on CBS, from 7-10 p.m.

COMING TOMORROW

Toby Keith in March announced the ACM nominees just an hour after he slammed the music industry in front of 2,000 country radio staffers and executives at the annual Country Radio Seminar convention. Keith that day also confirmed he would perform on tomorrow's show via satellite from a concert he's doing for U.S. troops in Iraq. Keith is again up for ACM Entertainer of the Year, a top honor he has won for the past two years. Read the latest on him in tomorrow's Tennessean.

LOAD-DATE: May 17, 2005

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Copyright 2005 Time Inc.
Time Magazine

May 16, 2005

SECTION: U.S. EDITION; BUSINESS; Pg. 42

LENGTH: 1461 words

HEADLINE: The Dealmaker Rides Again;
Kirk Kerkorian is 87, worth $ 9 billion and still has a mean forehand. So what does he want with GM?

BYLINE: Daren Fonda, With reporting by Laura A. Locke/ San Francisco; Jeffrey Ressner/Los Angeles

BODY:

PROFILE

Without being in Kirk Kerkorian's mind, it's hard to say why a secretive 87-year-old Beverly Hills billionaire would suddenly buy shares in an industrial dinosaur like General Motors. So let's say this: The man doesn't like sitting in the backseat, not in his personal life, certainly not as a businessman. Most mornings he drives himself to work in a Jeep Grand Cherokee, arriving at the office by 10:30. He can afford a chauffeur, of course, since he's worth an estimated $ 9 billion, a fortune built over a half-century of buying and selling assets from airlines to real estate, casinos, hotels, movie studios and automakers. Yet while many octogenarians may aspire to improve their golf score, Kerkorian keeps thinking big and shows no signs of slowing down, not when it comes to driving, investing or his favorite sport, tennis, which he plays most weekends, still packing a powerful forehand. "He's a real competitor" on the court, says George Mason, a longtime business colleague and tennis pal.

Kerkorian took another big swing last week. His investment vehicle, Tracinda, named for daughters Tracy and Linda, announced it had bought 22 million shares of General Motors and planned to buy up to 28 million more, for nearly a 9% stake, which would make Kerkorian one of GM's largest and most potentially nettlesome stockholders. Why GM, and why now? Just a couple of months ago, when a friend broached the idea, the billionaire brushed it off. "He said, 'They have a lot of problems,'" recalls Mason. GM stock has been a dud, and despite popping 18% after Tracinda announced its stake, the company received a major blow last week when Standard & Poor's downgraded GM's credit rating to junk (along with Ford's). "Kirk thinks it's a strong company, with strong cash flow and strong assets," says his lawyer Terry Christensen. "He thinks the management can solve GM's problems."

That Kerkorian doesn't even drive a GM car suggests he may not be in love with the goods. Loaded down with excess factory capacity, waning SUV sales and crushing health-care liabilities, the company is no quick turnaround play. So you have to wonder, What is he thinking? Kerkorian isn't talking--he has been virtually silent with the press since 1971. But there was no shortage of speculation on Wall Street and in Detroit. The scuttlebutt: that Kerkorian will try to force GM to spin off its lucrative financing unit, GMAC; that he will try to line up a murderers' row of billionaires and private equity firms for a hostile takeover; that he will make such a pest of himself that GM will buy him out for a premium, just so he'll buzz off.

Crazy as all this sounds--we're talking GM here, the world's largest automaker--Kerkorian practically wrote the how-to book on such tactics. In the late '70s he loaded up on shares of Columbia Pictures, then turned into such a litigious nightmare that Columbia bought his stake for a 50% premium, a settlement that Fay Vincent, then CEO of Columbia, called "greenmail" (a characterization disputed by a Kerkorian spokesman). In the '90s Kerkorian was at the center of a gear-grinding saga with Chrysler. After buying a big stake and standing by for a few years, he launched a hostile takeover bid with Lee Iacocca in '95, finagled board representation and, most recently, wound up in a federal

court in Delaware, arguing that he had been duped by management into supporting Chrysler's merger with DaimlerBenz (a case he lost last month; his lawyers are appealing).

Christensen promises that Kerkorian will be a gentlemanly, silent partner this time. "We made a courtesy call to GM senior management and had a friendly conversation," he says. "They said, 'welcome aboard.'" In a perverse way, Kerkorian may be the bogeyman GM needs, allowing CEO Rick Wagoner to play the good cop in negotiations with GM's union, with the specter of a Kerkorian-led breakup in the background. GM can now go to the United Auto Workers and say "you can deal with nice Rick Wagoner or Gordon Gekko," says auto analyst Stephen Cheetham of Bernstein Research.

Whatever Kerkorian's motives, associates say his intentions are clear. "Kirk tends to be a long-term investor, and don't let the fact that he's 87 fool you," says friend Mason, suggesting that Kerkorian will wait patiently for a GM turnaround. Says Ralph Whitworth, a financier who worked with Kerkorian in the '90s: "He's not a control freak. He just likes to get good returns."

No question, Kerkorian still gets a kick out of high-stakes deals. In 2000 his MGM Grand bought Steve Wynn's Mirage Resorts for $ 6.4 billion, and last June Kerkorian snapped up the Mandalay Resort Group for $ 4.8 billion, giving him control of 11 hotel-casinos on the Strip and more than half the gambling action. Last year Kerkorian sold his stake in the MGM movie studio for $ 5 billion to a consortium led by Sony. In fact, Kerkorian's dalliance with MGM over the years reads like a sordid back-lot love story. He first bought shares in the studio in 1969, sold MGM/UA to Ted Turner in '86, bought back most of it a few months later, unloaded it to an Italian financier in '90 and bought it again in '96. Whoever got stiffed along the way (and he's been criticized for gutting the studio), it wasn't Captain Kirk; he earned $ 500 million just buying MGM from Turner. "He's got ice water in his veins," says a rival. "For him, it's always about the deal, not the business."

Kerkorian's childhood, rough and rootless, may have instilled in him that lifelong drive to get ahead. Born to Armenian immigrant farmers in Fresno, Calif., he moved at least 20 times as a kid, his parents often struggling with the rent. In junior high, he was expelled for fighting and truancy. After dropping out, he learned to box ("Rifle Right," they called him), and during World War II he shuttled planes across the Atlantic for Britain's Royal Air Force. Back in California, he bought and sold refurbished aircraft and started an air service ferrying gamblers from Los Angeles to Las Vegas. On layovers in Vegas he took an interest in gambling, especially craps, and parlayed the proceeds from various ventures into real estate and casinos, seeing promise in the town "when it was just dirt," says a colleague. By the early '70s, well into his second marriage, to a former Vegas show girl, he was buying movie studios, investing in gambling businesses and making bids for airlines. Eventually he moved on to Chrysler, though Iacocca once said "he really doesn't have any interest in cars."

For all his headline-grabbing skill as a dealmaker, Kerkorian is often described as a recluse. Vegas real estate tycoon Irwin Molasky, an old friend, says it's more that Kerkorian tends to be quiet and unassuming. He hasn't been entirely able to shield himself from the tabloids, however. In 2002 he was involved in a tawdry paternity case after his third wife, tennis pro Lisa Bonder, to whom he had been married for a month, admitted faking DNA tests to prove he was the father of her child. Still, when he attends boxing matches, Kerkorian sits up in the cheap seats, not at ringside. "He wants to be in the background," says Molasky. For a guy who may be about to rumble with General Motors, that may be his toughest act yet. --With reporting by Laura A. Locke/ San Francisco and Jeffrey Ressner/Los Angeles

SIDEBAR:

The Art of Making Money

Kerkorian is famous for trading in and trading out--at a profit. His key deals:

*1947 LOS ANGELES AIR Launches a charter air service ferrying gamblers from L.A. to Vegas. Eventually sells it, and nets roughly $ 100 million in profit.

*1967 FLAMINGO HOTEL Buys his first hotel on the Vegas Strip, for $ 12.5 million. A year later, he sells a plot across the street, bought for $ 90,000, to Caesars Palace for $ 5 million.

*1969 MGM Starts building a stake in the studio, becomes CEO in 1973 and opens the MGM Grand in Vegas. Sells, buys and resells the movie studio several times, most recently to Sony for $ 5 billion.

*1978 COLUMBIA PICTURES Buys shares in the studio and launches a hostile takeover bid; lawsuits fly, and Kerkorian persuades Columbia to buy his shares for a huge premium just "to get rid of him," said a Columbia exec.

*1990 CHRYSLER Buys a 9.8% stake in the ailing automaker, and tries to buy the whole firm in '95 for $ 22.8 billion. The coup fails, but Kerkorian wins a board seat; later sues DaimlerChrysler, saying he was misled about the merger.

*2004 MANDALAY RESORT GROUP After buying Mirage Resorts for $ 6.4 billion in 2000, he buys Mandalay for $ 4.8 billion, expanding his gambling empire to 11 casino-hotels on the Strip.

GRAPHIC: COLOR ILLUSTRATION: ILLUSTRATION FOR TIME BY JOHN CORBITT, COLOR PHOTO: ROGELIO SOLIS--AP, B/W PHOTO: EVANS--THREE LIONS/GETTY, Shooting dice at Caesars, 1965; COLOR PHOTO, COLOR PHOTO: TED THAI FOR TIME, COLOR PHOTO: TOMAS MUSCIONICO--CONTACT FOR TIME, Glittery Mandalay Bay is his latest **Vegas** purchase

LOAD-DATE: May 8, 2005

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Bicycle Retailer and Industry News

May 15, 2005

SECTION: No. 8, Vol. 14; Pg. 4; ISSN: 1069-8493

IAC-ACC-NO: 132868889

LENGTH: 369 words

HEADLINE: Retailer will skip show as long as it's in Vegas; letters; Letter to the Editor

BYLINE: Smillie, Chuck; Smillie, Katy

BODY:

Hope springs eternal; rumors had been going about that Interbike was leaving Las Vegas soon. We went once, when we first opened our doors, to see what could be seen. It was a good experience, except for Vegas. We usually bring our buyers, two of which are our kids. This trip we didn't bring them even though Vegas was now "kid friendly," Glad we did not since I would not have wanted to subject them to the hooker ads blowing around the pavement and the dirty environment (both physically and spiritually).

After that we decided to stay away until it moves as a protest. But it seems an industry that is so much "above it all," lets the sins of the world ruin a great show. "What happens in Vegas stays in Vegas" opens the recent BRAIN article (April 1) praising the show and saying how much vendors and dealers love Vegas; too bad no one talked with us for these surveys!

It hurts not going; I see the new Giant line when we open the box on what I blindly ordered. I have no idea what Fuji looks like this year. We miss the demo days; we miss showing our reps we are serious about the industry; we miss meeting and talking with other owners; we miss a bunch. But do we compromise our morals to go?

I know Katy's old boss has a problem with this and somehow finds a way to rise above and make the show. But as I said, our kids are buyers and therefore are easily influenced. I do not want my son to look at women as ads in a paper to do with as you wish, or my daughter to think selling herself in a free paper is OK. I know parenting skills matter, but it has been six years since we were last in Vegas and my strongest memory wasn't being shot like a cannon on the bungee ball, it was the hooker ads being handed out like real-estate books. Imagine what teens will have as their best memory of Vegas.

Our shop is family and will stay family and our family will not attend a Vegas show. I wish the industry would listen. There are better places to have a show: San Diego, Salt Lake City, Orlando, San Francisco; even LA is better! Let's try to rise above the world and move it soon so we can attend again.

Chuck and Katy Smillie

Mama's Board n Bike

Suwanee and Snellville, Georgia

IAC-CREATE-DATE: May 31, 2005

LOAD-DATE: June 01, 2005

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Copyright 2005 Globe Newspaper Company
The Boston Globe

May 15, 2005, Sunday THIRD EDITION

SECTION: NATIONAL/FOREIGN; Pg. A24

LENGTH: 789 words

HEADLINE: VEGAS HOTEL'S $90M SHOW TAKES A PLUNGE

BYLINE: By Steve Friess, Globe Correspondent

BODY:

= LAS VEGAS It may be the most expensive hotel-casino in history, but the $2.7 billion Wynn Las Vegas is finding out that when it comes to its marquee show, money can't buy love.

Flamboyant productions have long been seen by investors and observers as contributing to the success of Las Vegas properties. Hotel visionary Steve Wynn, chief executive of Wynn Resorts Ltd., has maintained when he opened such famous Vegas resorts as Bellagio and The Mirage that the show is a linchpin.

But Wynn's aquatic "Le Reve," which is conservatively estimated to have cost $90 million including a 2,087-seat showroom with a 1-million-gallon swimming pool has been a giant belly flop.

Since its April 28 opening, the show has been so poorly received by critics as well as the public that a plan to feature two performances a night has been postponed.

While Wynn officials say they are not worried, questions have been raised, from the Vegas Strip to Wall Street, about whether the nascent Wynn brand would be damaged if "Le Reve" were to fail.

While major Vegas shows usually do not collapse on bad reviews the way Broadway shows do, the situation is so dire that some Wall Street analysts say the show's woes could further sink Wynn Resorts stock, which has tumbled recently, mainly on concern that the Chinese gambling market Wynn is entering next year isn't as strong as expected.

"It would be an utter disaster if this show can't be fixed," said an analyst at a major Wall Street investment house, who asked to remain anonymous because of company policy.

"Le Reve" is responsible for far more than bringing in an estimated $250,000 in ticket revenues per show.

Big Las Vegas spectacles are "really a mousetrap to attract people to the property and keep them there and get national and international attention to the property," said Felix Rappaport, chief operating officer of the Luxor Hotel-Casino. "Plus, when you build these made-to-order theaters, there aren't many outs. You can't just close it and say, 'That was a bad idea.' "

"Le Reve," French for "the dream," is a surreal show with 70 actors in skimpy bathing suits who dance, swim, and do acrobatics in and around the performance pool.

Produced by Franco Dragone, who created several of Cirque du Soleil's biggest hits before leaving the Montreal-based troupe in 2002 to create Celine Dion's Vegas show, "Le Reve" borrows many conceits from his prior Vegas work in the dream-themed "Mystere" at the Treasure Island Hotel-Casino and the aquatic "O" at the Bellagio. Several

reviewers compared "Le Reve" unfavorably with those previous successes, with Los Angeles Times reviewer Lewis Segal asking, "Steve Wynn doesn't have knockoffs in his art gallery, so why put them in his showroom?"

It's also, at $121 a seat, the most expensive minimum in Vegas. In the weeks leading up to the debut, Wynn compared his luxurious 217-acre, 49-story casino-hotel to the pyramids of Egypt and called it "more complex than any other structure in the history of the world."

"You would've expected with all that hype that the show would be stronger out of the box and it wasn't; it's very unraveled," said Anthony Curtis, publisher of the Las Vegas Advisor travel newsletter. "People are walking out of the thing, shaking their heads."

Wynn officials are taking the long view. "There is the reception of the theater audience and then there's the perception in the marketplace," Dragone spokesman Peter Wagg said. "What I know is that people love the show."

Wynn spokeswoman Denise Randazzo said Dragone is making changes in response to audience reaction, although she also insisted that there was no problem and that the resort will offer two shows nightly again once a major "awareness" campaign kicks off. She asserted that Dragone's earlier shows, "Mystere" and "O," also took time to settle in.

Even as Randazzo and Wagg tried to project optimism, one Wall Street analyst whose firm underwrote the resort acknowledged the concern.

"It's disappointing," said J.P. Morgan analyst Harry Curtis, who added that the property has otherwise exceeded expectations for revenue. "It doesn't live up to the quality of the rest of the hotel. The 'Le Reve' show may require more than just tinkering to fix, but even if it were to have to go into a period of redesign, that wouldn't meaningfully impact the [overall] numbers."

Randazzo said she is not surprised by nitpicking, given the resort's grand scale. "I think whenever you have an undertaking like this and spend $2.7 billion, you do leave yourself somewhat vulnerable for criticism," she said.

GRAPHIC: PHOTO

LOAD-DATE: May 16, 2005

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Buffalo News (New York)

May 15, 2005 Sunday
FINAL EDITION

SECTION: SPORTS; INSIDE BASEBALL; Pg. C5

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HEADLINE: STARS MAY TRY TO RESTORE THEIR LUSTER IN DUNN TIRE PARK

BYLINE: By Mike Harrington

BODY:

There might be some big star power on the field in Dunn Tire Park over the next week or two. On the injury rehab trail, Chicago White Sox slugger Frank Thomas is on target to be playing for the Charlotte Knights when they hit town to meet the Bisons for a four-game series that begins Saturday and runs through May 24. On the bat-in-need-of-rehab front, the Cleveland Indians are hinting it may be time for Aaron Boone to straighten out his swing in the minors, while Yankees fans with an eye on a possible appearance by Jason Giambi are hoping the beleaguered first baseman will accept an assignment to Columbus so he can play here June 3-6.

Thomas hasn't played in the big leagues since July 6 due to a fractured ankle that required surgery in October.

"I'm ready. There's not much more batting practice I can take," the former AL MVP told Chicago reporters Wednesday. "I'm locked in (during batting practice), and it's getting old. I'm not going to be a track star out there, but I can go base to base. That will be a key."

Thomas has even pledged to be a good soldier for Sox manager and former teammate Ozzie Guillen. The two have verbally sparred in recent months, and Guillen earlier this season chided Thomas as part of the "bad attitude" that the Sox had shed en route to their red-hot start that has them atop the AL Central.

"When I come back, hopefully I won't disrupt anything," Thomas said. "Every team needs a shot in the arm, and hopefully I can be that for this team. On a consistent basis, I'm going to get up there and take my hacks."

With the Sox leaving them in their dust in the division race, the Indians are starting to get into desperation mode. As Jody Gerut keeps hitting well on his rehab stint in Buffalo, it's easy to see a scenario in which Gerut moves back into the Tribe outfield with Casey Blake returning to third base.

That's because Boone's return from the pickup basketball knee injury that cost him all of 2004 is not going well. Boone entered the weekend batting just .128 overall and is a paltry 3 for 31 with runners in scoring position. Boone has not been asked to accept a minor-league assignment. Yet.

"We've talked a little bit about everything, but nothing decisive," manager Eric Wedge told the Cleveland Plain Dealer. "The one thing Aaron has, more so than most of our players, is a proven track record of more than one or more years. We're trying to be as positive and supportive we can be."

Because of their big-league service time, Boone and Giambi could turn down an assignment to the minors if their teams request one. One scenario that might be more palatable for both players would be a split trip between Double-A and Triple-A to avoid long road trips at either level.

Fish fried in Miami?

The Marlins desperately need a new stadium, one with a retractable roof that allows them to dodge Florida's summer downpours and collect the flood of revenue from suites and club seating that they see little of as a tenant in Dolphins Stadium.

But the proposal for a $420 million facility in downtown Miami adjacent to the Orange Bowl took a major hit when Florida's legislature did not pass a $60 million state sales tax rebate during its session that ended last week.

Without it, there is a $30 million gap in funding for the project, and the Marlins might be ready to talk to Las Vegas about a move west. With the NBA seriously considering Las Vegas for its All-Star Weekend in 2007, the taboo about Sin City is quickly diminishing. An NBA expansion franchise is probably not far off, and either the Marlins or similarly stadium-challenged Athletics could put baseball in Vegas by the end of the decade.

The Marlins are locked into Dolphins Stadium only through 2006, and owner Jeffrey Loria has four one-year options after that. The team has pledged $192 million toward the new stadium and insists it can't budge from that number.

"I think it's a major mistake," Marlins third baseman Mike Lowell said of the Legislature's decision. "We're one of the few teams that has proven we can win a championship in this state, and it seems like not everyone is a big fan of us.

"There are other cities that are going to put (out) major dollars to build a stadium for someone. I know Mr. Loria wants it to work here, but he's a businessman. He's a private jet away from going anywhere."

Miami city leaders are scrambling to come up with creative ways to keep the project afloat with Las Vegas mayor Oscar Goodman lurking to talk to Loria. Las Vegas has already set aside $23 million to start funding for a new stadium. Cashman Field, the city's 22-year-old facility that hosted the Bisons' appearance in the 1998 Triple-A World Series, is well below major-league standards and probably could not house a team even temporarily.

Daddy-O returns

Pedro Martinez is scheduled to pitch for the Mets on Friday night in the first game of their annual Subway Series against the Yankees in Shea Stadium. The New York media couldn't resist recycling all those Who's-Your-Daddy references from October, and Martinez went along with the wisecracks.

"I thought I ran away from it, from all that (bleep) that you guys write about," Martinez said when a shift in the Mets' rotation -- pushing Martinez into the Yankees series -- was announced Wednesday. "I did my homework. You are the fourth power in the world. Sometimes I shut my mouth instead of saying what I have to say, when it's my right, because you guys can translate it however you want."

When a reporter jokingly asked Martinez if he had requested the rotation be juggled so he could face the Yankees, Pedro responded, "Oh man, I'm too old for this. I've never seen New Yorkers going after New Yorkers. That will be my first experience. I'm a rookie at that."

Around the horn

A sad story emerging out of Boston explains part of the reason that Red Sox great Carl Yastrzemski was mostly invisible last fall during the team's championship run. Yaz's son, Mike, died in September at age 44 after complications from hip surgery, and the elder Yaz was heartbroken by his sudden death. Then the real heartbreak emerged.

Mike Yastrzemski, whose minor-league career included a brief stint with the Bisons in 1985, apparently stole his father's identity and ran up $46,000 in unpaid taxes and credit card debt approaching $100,000.

Andrew Kulyk and Peter Farrell, the two Buffalo men who have visited all the venues in the four major sports (assuming we can still call hockey a major sport), planned to make their lineup card complete again as they were scheduled to hit RFK Stadium in Washington this weekend.

A quote about Philadelphia's Citizens Bank Park from the pair's voluminous must-see Web site, www.thesportsroadtrip.com, is also featured prominently on Phillies.com. It shares space alongside thoughts on the 2-year-old park from notables such as Mike Schmidt, Barry Bonds, Jim Thome, Bob Uecker and several major Philadelphia media outlets.

Wrote Kulyk and Farrell: "The amenities, the attention to detail, the respect that this venue gives to Philadelphia baseball are just second to none here, and that's what helps make this a super place to see a game."

Royals manager Tony Pena was having a terrible time stomaching his team's 8-25 start, but the problems that caused his abrupt resignation Tuesday in Toronto weren't strictly on the field. According to the Kansas City Star, Pena has been subpoenaed in the divorce proceedings of a neighbor and is expected to have to answer questions about his relationship with the woman.

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GRAPHIC: Associated Press White Sox slugger Frank Thomas could be in the Charlotte lineup when the Knights come to Buffalo to play the Bisons.

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May 15, 2005 Sunday 1 EDITION

LENGTH: 932 words

HEADLINE: Youthful guide to U.S. cities

BYLINE: BY AMANDA KINGSBURY; KNIGHT RIDDER NEWSPAPERS

BODY:

We asked teen-agers across the country to tell us about the hot spots in their cities -- places sure to rate with even the most hard-to-impress teen tourist.

Dallas/Ft. Worth

From Arie Floyd, 17:

Sam Moon Trading Co., 11826 Harry Hines Blvd., Dallas. Picture an enormous room overflowing with chic accessories. Now add dozens of women and girls stuffing the low-priced jewelry and purses into their shopping baskets. This wholesale glamour warehouse is every girl's dream shopping experience. www.sammoon.com

New York City

From Jaya Saxena, 18:

A Salt & Battery, 80 Second Ave. Either this location or the one on Greenwich Avenue is great. Real fish and chips, with soda and snacks imported from England. All the employees have British accents. Details: 212-254-6610.

Treasure Trends NYC, 204 First Ave. This place has $5 scrub pants, as well as cool concert T-shirts and other awesome clothing. Details: 212-777-5514.

Denver

From Loren Litherland, 13:

Denver Skate Park, 2205 19th St. This is the largest free outdoor skate park in the country. It attracts skaters of all ages and skill levels; there are bowls, rails, launch ramps, a street course and more. It's always good to get there early (around 9 a.m. or so). Details: www.denverskatepark.com

16th Street Pedestrian Mall. This runs from Civic Center Park to historic Denver and is a great place to hang out. You can get lunch at one of the many fabulous restaurants, and there are tons of neat stores and kiosks. Sometimes there are festivals going on, and on regular days there are often street performers. Even if you're on a tight budget, you can still have fun here with your friends. Details: www.downtowndenver.com/bid/16thstmall.htm

Miami

From Osman Alper, 17:

Sunset Place, 5701 Sunset Drive, South Miami. This is a shopping center with tons of stores and a movie theater, and you'll find hundreds of kids socializing, watching movies, eating and shopping. This is the place where local

Miamians would hang out on a Friday or Saturday night. There even used to be an all-ages club called the Place, which will be opening again soon. Details: 305-663-0873.

Bayside Marketplace, 401 Biscayne Blvd. This place is right on the water -- you and your friends can walk around, eat, shop, sit by the water and enjoy the music. There are also all-ages party boats that go out at night -- they have different themes, and they serve beverages and food. Details: www.baysidemarketplace.com

Boston

From Rebecca Williams, 17:

Newbury Street. It's a whole strip with fun places such as Newbury Comics, cool furniture shops such as Zoe and an art gallery whose name I can't remember -- but it has beautiful gargoyle sculptures and really old paintings. Newbury Street is great for people-watching -- lots of artsy people go there. There's a rich part and a low-key part; I like the low-key part the best because things are more laidback. Details: www.newbury-st.com

Charles River Esplanade. Any time in the summertime is a good time to go -- there are festivals, radio stations do fund-raising events and bands play. It's a place for sightseeing and walking around -- I usually go there with my boyfriend and just sit and read and write or listen to music. Bring a good book or a journal and a camera -- I always take millions of pictures because it's pretty there. Details: 617-635-4305.

Las Vegas

From Natalie Minev, 18:

Circus Circus Adventuredome Theme Park, 2880 Las Vegas Blvd. With a $22.95 pass, you can ride some of the most thrilling coasters in Vegas, including the Canyon Blaster, which is a superfast double-corkscrew roller coaster. Other fun activities include laser tag and the Sling Shot ride. 702-734-0410

Jillian's/Neonopolis, 450 Fremont St. This is the ultimate weekend hangout -- whether you're there to pick up a snack at the restaurant, score a strike on its unique bowling alleys, shoot pool, play video games or dance to the tunes of the DJ. Details: 702-759-0450.

Phoenix

From Megan Christman, 17:

Scottsdale Fashion Square, 7014 E. Camelback Road., Scottsdale. This is one of my favorite places to shop because it has the best stores. Normally, I go to MAC Cosmetics, Rampage, Steve Madden for shoes and Sephora -- and I love the Louis Vuitton store. The thing I like most is just the atmosphere ... and the guys aren't bad to look at, either. www.westcor.com

Mill Avenue, Tempe. My friends and I go there on weekends; it's close to the Arizona State University campus. When I'm on Mill on a Saturday night, I always have to go to Urban Outfitters or Buffalo Exchange. A good place to eat is Slices Pizza. Sometimes people are playing music outside of the bars, but mostly we just hang out outside because we're not old enough to get in. www.downtowntempe.com

Chicago

From T.J. Smith, 17:

Water Tower Place, 835 N. Michigan Ave. This is a huge shopping center in the middle of downtown Chicago. There are many levels with all the stores you can think of. But the best thing about Water Tower Place is the food court. It has burgers and hot dogs, but it also has soups, pasta, salad and any other style of food you like. The best time to go is on a Friday or Saturday. Details: www.shopwatertower.com

Millennium Park. This is a new, neat place in Chicago. They just finished building it less than a year ago. But it's not just a park -- it has a very modern-looking theater. In the summer, I like to just walk around and hang out with my friends. One of the coolest things to do in the winter is go ice-skating on the outdoor rink. Details: www.millenniumpark.org

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HEADLINE: 'A Pretty Good Vision';
HOOTERS AIR / President Mark Peterson's lifelong love of aviation led him to airline, where he keeps looking ahead

BYLINE: By Kathleen Vereen Dayton; The Sun News

BODY:

'I was fascinated by airplanes. Of course, if you want to learn how to fly and learn from the best, you do that in the military.'

Mark Peterson / president of Hooters Air

As a child, Mark Peterson, president of Myrtle Beach-based Hooters Air, lived near a Naval air station. That was all it took to cultivate a lifelong love of aviation.

"If it had wings and flew, I was interested in it," Peterson said. "I was fascinated by airplanes. Of course, if you want to learn how to fly and learn from the best, you do that in the military."

Peterson joined the Navy in college and started flight training in 1971, near the end of the Vietnam War.

"We were bombing Hanoi while I was down in Pensacola, [Fla.], learning to fly," Peterson said. "People like me, me and my friends, were getting spit on. Serving the country wasn't popular at that time. You had to have thick skin and a little more belief in the country and defending the country."

When he got his wings, the war was winding down.

Peterson spent much time in Southeast Asia, off the coast of North Korea, China and Vietnam, and on the atoll Diego Garcia in the Indian Ocean.

"That was before the days of Internet and computers," Peterson said. "It took two weeks to get any information from home. The newspapers we got were two weeks old."

Peterson flew the E6A, a large 707 aircraft that communicated with missile submarines. After retiring as a commander, he started a career as a commercial pilot.

"It was a chance to continue with one of the great loves of my life, which was flying," Peterson said.

Peterson spent nine years with Vanguard Airlines, becoming vice president for flight operations for the Kansas City-based airline, which once operated out of Myrtle Beach.

After the Sept. 11, 2001, terrorist attacks, Vanguard was among the airlines headed for financial disaster.

"The events of [Sept. 11] hurt the airlines and are still hurting the airlines ... but if you're doing $1 million in sales a day and overnight that goes to zero, it doesn't bode well for your survival," Peterson said. "We made a pretty good effort to keep the company together, but a year after [Sept. 11], the economy still hadn't rebounded."

At the time, Loris native Bob Brooks, owner of the Hooters restaurant chain, was taking a look at Vanguard with the idea of starting an airline that would serve Myrtle Beach while advertising his restaurants. The airline wanted more money than Brooks wanted to offer, so he began looking around for another airline to buy.

"For him, nothing's impossible," Peterson said. "If he wants to do something, it's going to happen. When he says he wants to do something, I start planning for it."

On Dec. 24, 2002, Brooks purchased Pace Airlines, a charter operation based in Winston-Salem, N.C., which today operates Hooters Air. Through Vanguard, Brooks met Peterson and invited him to join Hooters Air.

"He's a pretty impressive guy, when you first meet him and sit down and talk," Peterson said. "Our first flight was March 6, [2003]. That was a pretty quick timeline, to purchase an airline and start Hooters Air service a couple of months later. In this business, that's incredibly fast.

"A lot of people were very, very skeptical," Peterson said. "I think those of us that were in the middle of this and doing it, we had a pretty good vision of what we were going to do and what it was going to look like. We were very confident."

The Sun News / Did you feel you were taking a risk by joining a young, unknown airline founded by someone who didn't have an airline background?

Peterson / That never concerned me. If you look across the industry, we've got an awful lot of experts out there but we don't have too many people who are making any money. I don't know what all the experts necessarily get you.

Hooters Air is in an enviable position. We don't have any debt, and we pay our bills. There aren't too many people in this industry that can say that. I'll take that anytime versus being part of a bigger company that's not faring quite as well.

The Sun News / How did you feel about joining an airline that is connected with the Hooters restaurant chain?

Peterson / I've been to Hooters from one end of the country to the other. As part of my time in the Navy, it was always a favorite place, particularly down in Florida. It was an easy decision, to help [Brooks] start Hooters Air. We don't get that advice any more, that we shouldn't have Hooters on the side of the plane and Hooters girls on board the airplane. If we didn't, we wouldn't be Hooters, we'd be somebody else. People have their perceptions about who we are and what we're doing. Somewhere amid their perceptions there's a reality. It's a lot of fun, and I think the thing that's surprised me the most is, I thought a lot of the hoopla and excitement after the first month or so would go away, but it hasn't. People are still very excited when they see the airplane, and we send the airplane out into a different part of the country. The planes really are quite beautiful. You can see them coming; they're very unique.

The Sun News / Bob Brooks has said that he uses the airline to market the restaurant chain. How much does the restaurant chain subsidize the airline?

Peterson / The dynamic between Hooters Air and Hooters is not going to change. Hooters is an organization that spends a lot of money in advertising. With the kind of money and endorsements we do in racing and golfing, why should being in the airline business be any different? What it does for the brand name is something you just continue to look at. So far, it's been a good thing for the Hooters organization.

The opening of the [Las Vegas Hooters Hotel and Casino] and Hooters Air going out to Vegas ... all those things are great for the brand. We represent over 400 restaurants across the country and representing those 400 restaurants raises the bar for us. We have to meet a standard. It also means we get some support from them, which allows us to meet the needs of customers that some other airlines can't do.

The Sun News / How are you managing the higher cost of fuel?

Peterson / Like everyone else, we look at ways to increase the revenue to cover those costs. That's a real challenge in the industry today, to figure out how you can hold onto some of your market share and tweak a little money out of your ticket prices to cover your fuel costs. Other than a drop in fuel prices, the only hope you have is that you can get more for your tickets, but Americans have really developed a thirst for low-cost aviation. Something's got to change. The industry is going to reshape itself in order for these carriers to survive. It has to. One thing that historically we have not done: we don't cheapen our ticket prices and wholesale tickets just to raise revenue. We'd rather carry a few less people than give tickets away. Up to this point, we haven't needed to do that.

The Sun News / You've grown to seven aircraft and 14 destinations in two years. How rapidly do you expect to continue expanding, and what markets are you looking to serve in the future?

Peterson / Seven airplanes in 2½ years is fairly measured growth. That's about right for the size we are. If we stayed where we are, it would be OK for us, but Hooters as an organization continues to grow. We're still adding restaurants, more than one a month.

Along with that, more opportunities will arise for Hooters Air, certainly out of Vegas and the casino. I see some continued growth for us, but we're not interested in taking over the country yet.

Vegas is certainly big for us, and there are some destinations out West and in Florida that we're interested in. There will always be some high-profile markets we're interested in. If Mr. Brooks says he wants to do something, I pretty much plan on it and there are some international destinations he's interested in. Cancun is one that continues to come up, and he opened a restaurant there in February. It's the one I think would probably be first if we figured how to do it.

How big we get isn't as important as doing it right. It wouldn't surprise me if we stay where we are for awhile and let this industry settle down a little bit."

The Sun News / Another challenge for other airlines involves employee salaries and labor union contracts. Since you are nonunionized, do you have those same issues?

Peterson / We're nonunionized, but whether you have organized labor or not, dealing with your employees in a way they feel they're being treated fairly is something every company has to deal with. Certainly every company has that challenge in the industry today. It is so difficult to make a profit with the costs out there. ... As long as the industry is upside-down, you're going to have those kinds of pressures.

The job security people feel they are missing now is forcing people to say, maybe it's time I look at a different industry. People who love this industry will always be in it.

Mark PetersonTitle / President, Hooters AirAge / 53Hometown / Anacortes, Wash.Education / Bachelor's degree in psychology, University of Washington at Seattle; master's degree in arts, international relations and strategic studies, U.S. Naval War College, Newport, R.I.; master's degree in science and management, University of Rhode IslandFamily / Wife, Karen; daughter, Jennifer; son, Kevin; one grandchildHobbies / Cycling; enjoying the sun and the beachFavorite author / Tom Clancy

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SECTION: Section 7; Column 1; Book Review Desk; Fiction Chronicle; Pg. 37

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BYLINE: By Ruth Davis Konigsberg.

Ruth Davis Konigsberg is a deputy editor at Glamour magazine.

BODY:

ALTERNATIVE ATLANTA. By Marshall Boswell. (Delacorte, $22.) "Is it so wrong, wanting to be at home with your record collection?" That was the question Nick Hornby posed in his 1995 novel, "High Fidelity," and a similar argument is raised in "Alternative Atlanta," Boswell's likable but fairly weightless first novel. His narrator, 30-year-old Gerald Brinkman, is a music critic for an alternative weekly newspaper in Atlanta who'd rather stay home cranking his free review copies of CD's than deal with the mess his life has become. "Alternative Atlanta" opens with Gerald attending the wedding of his ex-girlfriend, Nora, a k a the One Who Got Away. Gerald broke up with her several years earlier, even though she was perfect for him. That's what happens when your life lessons come to you through your stereo receiver: "Rock has taught him all he cares to know about integrity, aesthetic form and love. Don't sell out, don't overstay your welcome, don't grow up: those are the three lessons of rock." Gerald's preprogrammed playlist gets scrambled when his father, a minister turned disillusioned eccentric by the death of Gerald's mother when Gerald was 7, arrives at his doorstep. Then Nora proceeds to drop a bomb of her own, entangling Gerald in her messy marriage. Boswell uses the 1996 Summer Olympic Games as a backdrop, so some actual explosives figure in the plot as well, catapulting Gerald into adult responsibility faster than he can say, "Hope I die before I get old."

OWEN NOONE AND THE MARAUDER. By Douglas Cowie. (Bloomsbury, paper, $14.95.) Brian, the narrator of Cowie's charming first novel, has the ultimate male-slacker-fantasy occupations. Not only is he a D.J., but he almost unwittingly becomes a rock star. A mysterious character named Owen Noone plucks Brian out of slackerdom to start a band. Improbably, they play American folk songs like "Yankee Doodle" and "The Wild Mizzourye" on their Telecasters, heavy on the fuzz pedal, to genuine success. Brian's first major gig, at CBGB, feels to him like "Christmas and my first kiss put together." Glowing articles in Spin magazine and top-10 singles aren't far behind. But the bliss is predictably short-lived. Owen is tormented by his father, a Republican politician who abandoned him when he was young and refuses to acknowledge his existence, all the while running for the Senate on a platform of family values. It's not long before Brian begins to wonder if Owen's quest for fame is just a way for him to get back at his deadbeat dad. Cowie's got a good ear; his chapters read almost like a roadie's journal and bring a welcome realism to the cable-ready "Behind the Music" narrative arc. They just don't really take you anywhere.

THE NARCISSIST'S DAUGHTER. By Craig Holden. (Simon & Schuster, $23.) Holden's new novel is a tight, muscular thriller about Syd Redding, a cagey, ambitious 20-something looking to leave his working-class roots behind him. Medical school is in his future -- or at least it was until he started sleeping with the wife of his boss at a hospital, a pathologist and pillar of Cleveland society. When Syd figures out the couple are using him for their own perverse pleasure, he tries to get even by seducing their teenage daughter in his stepfather's muscle car. "I . . . glanced over now and then into the stream of her nervous yakking while holding out before myself (envisioning it there on the road ahead) that moment when it dawned" on them "who their daughter was hanging out with, and the delicious possibilities beyond

that." Everyone here is playing the angles to a sinister degree, and once in a while Syd says things in a cool noir voice-over like: "It was for some reason just then that I understood it had gone bad, all of it, and was going to come crumbling down. I just didn't know yet how bad, and how much would come." With several deft feints and one grand final twist, Syd manages to secure his own place in affluent Great Lakes suburbia after all.

THE DEVIL'S WIND. By Richard Rayner. (HarperCollins, $24.95.) Remember Raymond Chandler's famous line from "Farewell, My Lovely": "It was a blonde. A blonde to make a bishop kick a hole in a stained-glass window"? In Rayner's new novel, "The Devil's Wind," a woman is "beautiful enough to give a monk the night sweats." Rayner, who was born in England, is clearly infected by Los Angeles, where he now lives and where his protagonist goes to remake himself in 1945. He starts by changing his name: "Maurizio Viglioni became Maurice Valentine, a smoother, slicker name for the life I intended to create. I paid a lawyer $175 to complete the paperwork and the deal was done. My new personality began to take flight. . . . Maurice Valentine determined never to let himself look back. He was a different customer altogether: calm, with an eye for the main chance." Valentine becomes a successful architect, marries a senator's daughter and fancies himself a man of the world. But then he is ensnared by an enigmatic moll and dragged into a convoluted real estate scheme involving casinos, jazz musicians and Jimmy Hoffa. (By now the scene has shifted to Las Vegas.) Meanwhile, there are atom bomb tests in the Nevada desert, events for which the wealthy Vegas visitors don dark glasses and down dry martinis. This is rich territory, and Rayner makes skilled use of the postwar nuttiness and the cinematic milieu. But the plot unspools too quickly, and too many detours and ephemeral subordinate characters make this book easy to lose your way in.

URL: http://www.nytimes.com

GRAPHIC: Drawings: BASQUIAT. Edited by Marc Mayer. Essays by Fred Hoffman, Kellie Jones, Marc Mayer and Franklin Sirmans. (Brooklyn Museum/Merrell, $45.) At left, "Untitled" (1982, collection of Leo Malca) at right, "Flexible" (1984, estate of Jean-Michel Basquiat). The retrospective exhibition "Basquiat," which contains 150 works, is at the Brooklyn Museum through June 5.

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ALL EDITIONS

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HEADLINE: FAST CHAT Robert Goulet

BYLINE: Blake Green

BODY:

If it's possible to seem both oh-so-debonair and a little bit cranky at the same time, that's the way Robert Goulet is coming across. It's his day off from the Broadway revival of "La Cage aux Folles" - he just took over the role of Georges, the butch half of a gay couple - and he wants to take a walk around Midtown before the rains descend. But first, a kiss on the hand for his interviewer, Newsday's Blake Green, and a couple of anecdotes culled from a life in show business that has harvested a Tony, an Emmy and a Grammy for the 71-year-old star with the creamy baritone (which he occasionally tunes up mid- interview). Goulet lives in Las Vegas. He was last on the New York stage in 1996's "Moon Over Buffalo," and before that, in 1993 as King Arthur in "Camelot," the musical in which he created the role of Sir Lancelot in 1960. Goulet made his name chasing after a queen, and he's still at it.

You've probably kissed a lot of people in your life. How does Gary Beach measure up? [Beach plays Albian, the drag queen who is Georges' partner.]

(Big guffaw.) I had to swallow hard. He's a darling - and so's the understudy [John Hillner], both good guys. [CORRECTION: Bryan Batt is Gary Beach's understudy in the Broadway musical "La Cage aux Folles." John Hillner is Robert Goulet's understudy. Hillner was misidentified in the Fast Chat in Sunday's FanFare, which is printed in advance. Pg. A08 ALL BD] But we weren't a kissing family when I was growing up. Or even a hugging family. My mother gave little pecks on the cheek with lips closed, my father nothing. I never kissed a man in my life before. Well, except Richard Burton. [A long story ensues about the first day of rehearsals for "Camelot," during which Burton dropped his head into his hands and muttered, "Oh, God," while Goulet was reciting his lines. Later, they had several drinks and hatched a scheme to shock director Moss Hart by demonstrating the depth of feeling between the knight and his king. It never made the show.] This one comes at the end of the show, a big whacko. No open mouth, but it's just not something I'm used to doing. I asked, 'Where do the noses go?'"

When you were here playing King Arthur, you specifically said "La Cage" was one musical you didn't want to do. What happened?

Well, I don't know why I would have said that. But I did turn it down once when I was busy working in Vegas. Then, a couple of years ago, I met Gene Barry [the original Georges], and he told me it was the most fun he'd had in his life - as a professional. So when they called this time, I said yes. It's the first time I've played a gay. I want to say, "I'm the straight homosexual" but that isn't right.

Have you ever sung any of Jerry Herman's music from "La Cage" in your concerts?

At one time I opened with "I Am What I Am." It didn't occur to me it was a gay song; it was just a damn good opening.

And your closing is ...?

"If Ever I Would Leave You."

Have you done "Camelot" lately?

Jeepers creepers, I think only a couple of years ago. I thought I'd said goodbye to that role a long time ago, but some friends needed me for it. I was playing Arthur around the time of my radical prostatectomy [in 1993], and I had to go on in tights three weeks to the day after the operation. [He tells a story about worrying about incontinence, the removal of his catheter and putting on Depends and three pairs of shorts under his costume before singing the rousing "I Wonder What the King Is Doing Tonight."] But I finished and got off the stage.

You're all right now?

I've had some radiation because my PSA count was going back up, but I'm going to stick around for awhile. I had a titanium hip put in in 1997.

What else are you doing these days?

I might be getting my own room in Vegas. I sing with a lot of orchestras - anywhere. I do a "South Pacific" every so often. No movies; like older women, it's hard to get parts. Since I tell so many stories, my wife wanted me to write them down. I've done about 15 pieces. And I tried painting, acrylics. I've done about 15, and I'd say five are good. They're very bright. There's one with a three-headed monster dripping blood. I call it "Critics."

CORRECTION-DATE: May 15, 2005

CORRECTION:

Bryan Batt is Gary Beach's understudy in the Broadway musical "La Cage aux Folles." John Hillner is Robert Goulet's understudy. Hillner was misidentified in the Fast Chat in Sunday's FanFare, which is printed in advance. Pg. A08 ALL BD

GRAPHIC: Newsday photo / Ari Mintz - Robert Goulet

LOAD-DATE: May 15, 2005

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The Record (Bergen County, NJ)

May 15, 2005 Sunday
All Editions

SECTION: TRAVEL; Pg. T05

LENGTH: 89 words

HEADLINE: Only in Vegas!

BODY:

You get to Vegas and you look around, and you think: "Only in Las Vegas could this be."

Here are some quintessential Vegas only's ...

* Swim-up blackjack at The Tropicana.
* Drive-through wedding chapels.
* Slot machines in laundromats.
* Sights of Rome, Venice, the Far East, Paris, New York, Egypt and Ireland along one street.
* A mayor who, in his past as a lawyer, represented mobsters.
* Slot machines on a revolving carousel, and a bar on a merry-go-round at Circus Circus.
* Casino owners who are art curators.
* An official Vegas Elvis.

LOAD-DATE: May 18, 2005

INDEX 190

Copyright 2005 North Jersey Media Group Inc.,
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The Record (Bergen County, NJ)

May 15, 2005 Sunday
All Editions

SECTION: TRAVEL; Pg. T01

LENGTH: 2100 words

HEADLINE: 100 YEARS OF VEGAS, BABY;
From desert oasis to the epitome of outrageous, the Nevada city was always a draw for those willing to take a gamble

BYLINE: By JILL SCHENSUL, TRAVEL EDITOR, North Jersey Media Group

BODY:

Night in the desert. The air is warm, the Mustang's top is down, and on the Strip, the neon sirens are singing their torch songs, scorching from psyches all prior concepts of reality. Reality is what Vegas says it is, right here, buddy. It's bikini bull-riding at Gilley's and "good clean dirty fun" at the Paris, and showgirls in feathers or maybe in fangs. It's faux Elvises by the dozens, and dead celebs resurrected in $100-a-ticket impersonator spectacle.

Traffic crawls, heat shimmering the visions, the frightening white clown face, the three-story Coke bottle, the New York skyline and Eiffel Tower and Caesar before his shopping mall and the nearly naked woman on the lit-up sign atop the cab in front of you. A slow-motion ocean of come-ons, moving to the appropriately discordant soundtrack of the violins from Bellagio and the hip-hop bass from the minivan just ahead and the vocals of a tape-looped "One dollar beers" and the overall white-noise thrum of people and neon and machinery. Nobody minds the traffic. Nobody minds the noise. Everyone, the Indian family in the next car, the matching-paunched couple bathed in purple neon, the guys in polyester, the wives on a girls night out, is here, like me, in this town of sensory overload, to gawk, to bathe in the neon glow.

Vegas, baby. The crossroads in the desert. It could only have happened here. Here, where 100 years ago Las Vegas was the middle of nowhere. Where anything could happen, and nobody cared. If you wanted to go out into the desert and stake your claim ... hey, even then you had to be a gambler.

European explorers did hit the jackpot in the early 1700s. Spanish traders en route to Los Angeles along the Spanish Trail called the Nevada part of the trip the "jornada de muerte," journey of death. Until a young scout named Rafael Rivera discovered an oasis, a place of greenery and a plentiful water supply. They called it Las Vegas, Spanish for "The Meadows."

In 1855, 30 Mormon missionaries arrived and built a fort here, intent on teaching the Paiute Indians farming techniques. The Paiutes were not thrilled, instead raiding the fort until it was abandoned in 1857.

It was the railroad that finally got people to drive in stakes - tent stakes - and stay. Developers decided the Las Vegas Valley would be a strategic stop for their trains between Utah and California. Work on the first railroad grade into Las Vegas began in the summer of 1904. On May 15, 1905, the San Pedro, Los Angeles and Salt Lake Railroad, owned by Montana Sen. Williams Andrews Clark, auctioned off 1,200 lots, 110 acres of what is today Downtown. The railroad made its inaugural run on Jan. 20, 1905.

It was the principal industry in Las Vegas for the next 25 years.

The sin begins

And because it was a railroad town, it was also a place that catered to people passing through. "It was always open 24 hours," said Las Vegas historian Michael Green. "Who knew when the train was going to come in?" So the little town began offering distractions for its visitors.

Gambling had been legalized in Nevada in 1869, and the first "casinos" were set up in tents. When gambling was outlawed in 1910, the action simply went underground, where it continued to flourish.

And then, in 1931, three things happened that set Vegas on its path to glory. Gambling was legalized in Nevada. Divorce laws were liberalized so that a "quickie" divorce could be obtained after six weeks of residency. These short-term residents stayed at "dude ranches" which were the forerunners of the sprawling Strip hotels.

And construction began on the Hoover Dam, bringing a huge number of people seeking work during the Depression. The population boom was on in the Vegas area. "From that moment on, Las Vegas has concentrated on tourism," Green said.

In 1941, the El Rancho Vegas Hotel-Casino became the first hotel on what is now The Strip. Following World War II, lavishly decorated resort hotels and gambling casinos began to flourish. The best-known of the bunch was Benjamin "Bugsy" Siegel's Flamingo Hotel. Siegel was a member of the Meyer Lansky mob. The flamboyant establishment debuted New Year's Eve 1946. Six months later, Siegel was murdered in the Beverly Hills, Calif., home of his girlfriend, Virginia Hill.

Though his stay in Vegas was brief, Bugsy had a lasting impact on the town. "There were tough guys," Green said, "but you didn't get killed in Vegas. ..... [The mob] didn't want to look bad here.

"There are certainly [people] who died here," he added. "It isn't as if the desert doesn't sprout the occasional arm."

Resort building continued to accelerate in Las Vegas in the 1950s: the now-legendary establishments including the Desert Inn, the Sahara Hotel, Sands Hotel, the Riviera, the Dunes, Hacienda, Tropicana and Stardust hotels on the Strip and the Downtown Fremont Hotel-Casino.

During the '50s and '60s, casino lounges also provided continuous entertainment from dusk to dawn at no charge to the customer except the cost of a drink. The lounges became attractions in their own right, spawned the names of Don Rickles, Buddy Hackett, Shecky Greene, Alan King, Louis Prima and Keely Smith, the Mary Kaye Trio and many others.

In 1976, when casino-style gaming was legalized in Atlantic City, it became apparent to Las Vegas casino owners that Nevada no longer could claim exclusive rights to casinos. It perhaps hastened the beginning of another era for the Strip - the mega-resort.

Circus Circus Enterprises Inc. in October 1968 had opened a circus tent-shaped casino complete with midway games and rides for youngsters. A hotel was added in 1972. Owners of the resort have developed a $90 million water park called Grand Slam Canyon on five acres adjoining the Circus Circus Hotel-Casino.

Then came the 3,049-room Mirage Hotel-Casino with its fulminating volcano, in 1989, followed by Treasure Island and its full-scale pirate ship and British frigate engaged in a battle of cannon fire. The Excalibur brought Camelot, the Luxor added Egypt. Then came the MGM Grand Hotel & Theme Park - the largest resort hotel in the world when it opened in 1990. There followed the resorts fashioned after other places, from New York to Italy to Paris and beyond.

The evolution of mega-resorts occurred for several reasons, Green said. "In the late '60s, a law was passed that stockholders could own casinos," rather than individuals, he said. "That began to attract legitimate investments.

"The other event is [Howard] Hughes arrived. Hughes eradicated the mob - people think that, anyway. He brought a level of respectability. To the outside world, he was a genius hermit. Nobody was going to accuse Hughes of being in the mob."

Throughout the 1970s and into the 1980s, corporations continued to invest in the hotel-casino industry. Gaming had become a legitimate business, and some properties had stock traded on the market.

"Las Vegas used to be a mob haven," Green said. "What we really represent now is a microcosm of America. The merger mania that's gone on here reflects how corporate America has taken over our lives."

Today, half a dozen companies own the majority of casino-hotels. They report to stockholders, and the pressure is greater to turn a profit.

For a while the city cashed in on the "family values" trend, with theme parks and other attractions for children.

Now the city has reinvented itself again. "The emphasis has shifted to what we offer besides gambling," Green said. Spas, art galleries and high-end shopping are the trend of the moment. Along with sex, of course.

"We have always pursued instant gratification," he said. "Today, it's more instant, thanks to the Internet. ... Las Vegas has to find a way to entertain you beyond what others do.

"The world has changed, and we have to keep up with - and sometimes surpass - it."

Right now, sex sells - the new "What happens in Vegas stays in Vegas" slogan has caught on big time." Vegas crime and Vegas weddings have become the stuff of TV shows. And while high-tech entertainment and extravagant productions such as Cirque du Soleil's several offerings around town are packing in crowds, so too is the craving for nostalgia.

Celebrity impersonators -not just Elvises - offer "tributes" all over town. I'd wondered why a guy named Danny Gans was one of the biggest names in Vegas, tickets going for $100 nightly, until Green explained Gans impersonates a hundred different celebrities. At a buck a celeb, I guess that's not bad.

That $100 ticket is not out of line in Vegas, where the cost of a vacation jumped 11 percent from last year. (The increase nationally was only 5 percent, AAA Nevada reported.)

The amenities have increased exponentially, too.

My room at the MGM Grand, for instance. Actually, not a room, but a one-bedroom, two-level Skyloft, the recently introduced premium digs at the hotel. And a veritable theme park for technophiles (which I'm not). Everywhere are buttons to push, levers to pull, choices to make. Which of the jets in the shower would you like to spray? Which type of lighting - day, night, mood?

After mastering the electronic drape controls, I figured the coffeemaker, though ultramodern, would be a snap. And things were going well at first. Coffee was dispensed into the cup, and it looked the right color. So I got cocky. I decided to try the little metal tube and its button, bearing a symbol for "steam." Cappuccino, why not?

I poured some milk into the coffee. Then I pressed the button. The sputtering began immediately, and escalated to full-throttle churning. Smoke billowed forth, and coffee began erupting from the cup like the Mirage volcano. Coffee flew everywhere in the immaculate kitchen area. It spattered the walls, pooled on the floor. I couldn't get near the thing to try to stop it. Finally, it wore itself down to a final couple of drops ping-pinging into the empty cup like the final coins from a slot machine win. I'd struck the coffee jackpot. How lucky for me.

I hoped they really meant it about "What happens in Vegas, stays in Vegas."

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(SIDEBAR, page T04)

By the numbers

Bright lights

* 12.5 million: LED bulbs in the Fremont Street Experience canopy.

* 216,510: Bulbs on the Caesars Palace faux Christmas tree.

* 12,000: Pounds, total weight, of 75-foot-tall Vegas Vic, a landmark neon sign erected in 1951.

* 88: Number of locations with neon signs documented in the 2002 Neon Survey commissioned by the Neon Museum.

Big City

* 5,000: Average number of people who move to Las Vegas every month, making it the nation's fastest-growing city.

* About 1.6 million: Current population.

* 2: Acres, the amount of Las Vegas land developed every hour of every day for commercial or residential use.

* 0 percent: Personal income tax, corporate income, franchise, inventory or unitary taxes.

The tourists

* 37,388,781: Number of visitors in 2004.

* $33.7 billion: Their economic impact.

* $8.7 billion: Clark County's gaming revenue.

* $6.8 billion: Las Vegas gaming revenue.

* 92 percent: Las Vegas hotel occupancy.

* 95 percent: Las Vegas weekend hotel occupancy.

* 61.3 percent: National hotel occupancy.

* $90: Average nightly room rate.

* 131,503: Number of hotel rooms.

* 3.6 nights: Average length of stay.

* 49: Average age of visitor.

* 13 percent: International visitors.

The winners

* $369,286,977: Clark County gaming revenue in 1970.

* $8,710,976,000: Clark County gaming revenue in 2004.

* $545: Average gambling budget reported by visitors in 2004.

* $39,713,982.25: Highest slot jackpot ever hit, won by a 25-year-old software engineer from Los Angeles on a Megabucks machine at the Excalibur hotel-casino on March 21, 2003.

Showstoppers

* $50,000: Liberace's weekly salary at the newly opened Riviera in 1955.

* $832,500: Celine Dion's weekly salary at Caesars Palace in 2004.

* 1957: The year of the first topless show in Las Vegas, Minsky's Follies at the Dunes.

* 17: The number of Las Vegas shows that currently feature topless performers - 14 feature women and three feature men.

Food facts

* 99 cents: The cost of a shrimp cocktail at the Golden Gate Casino in 1959.

* 99 cents: The cost of a shrimp cocktail at the Golden Gate Casino in 2005.

* 25 million: The number of shrimp cocktails served between 1959 and 1991 at the Golden Gate Casino.

* $7.77: The price for the Gambler's Special (steak, three barbecued shrimp, a choice of potato or broccoli and a salad) at Mr. Lucky's 24/7 in the Hard Rock. The special never has been listed on a menu, but locals know to ask for it.

* 1.2 million: The number of alcoholic beverages served each month to guests at the Excalibur hotel-casino.

Source: Las Vegas Convention and Visitors Authority.

GRAPHIC: PHOTO, Above, a young Wayne Newton. The entertainer is well past 25,000 performances in the city.

COLOR PHOTO, Below, the Strip at night.
COLOR PHOTO, The famous Vegas welcome sign was put up in 1946
PHOTO, Miss Atomic Bomb wears a mushroom cloud and little else in this 1957 photo.
COLOR PHOTO, The The Rat Pack: Sinatra, Martin, Davis, Lawford and Bishop.
PHOTO, Far left, observers of a nuclear test north of Las Vegas.
PHOTO, The King has inspired countless impersonators; Vegas even has its own official "Elvis."
COLOR PHOTOS - JILL SCHENSUL - 8 - Hollywood meets New York on the Strip in Las Vegas, where corporate-owned mega-resorts are the standard today.
The 1931 Hoover Dam project helped fuel the population boom.
The Neon Boneyard is where old resort fixtures go to die, or await restoration by the Neon Museum. The Boneyard is open by appointment only, but a walking tour of restored neon signs is offered; check out neonmuseum.org.

LOAD-DATE: May 18, 2005

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Copyright 2005 The Salt Lake Tribune
Salt Lake Tribune (Utah)

May 15, 2005, Sunday

SECTION: Final; Pg. H8

LENGTH: 1112 words

HEADLINE: ALL THAT GLITTERS; Vegas is a city of fast money, but did you know the city has close to 200,000 slot machines, one for every eight residents?

BYLINE: Compiled by Tom Wharton

BODY:

Here are more unusual facts:

* There are more than 1,700 licensed gambling places in Las Vegas.

* The famous Las Vegas Strip is not in the actual city of Las Vegas but actually sits on a town site known as Paradise.

* Barbra Streisand holds the all-time world single concert box-office record. Performing on New Year's Eve, 1999, at the MGM Grand, she drew 12,477 patrons. The show grossed more than $ 14 million.

* Charles Frey invented the slot machine in 1899. It was called the Liberty Bell.

* The world's largest slot-machine jackpot was $ 27.58 million, won by a Las Vegas woman on Nov. 15, 1998.

* The longest-running Las Vegas show is the Folies Bergere at the Tropicana. It started in 1959.

* The Stratosphere Tower is the tallest free-standing observation tower in the United States and the tallest structure west of the Mississippi.

* Eighty-nine percent of visitors to Las Vegas gamble, usually spending, on average, $ 500.

* Seventeen of the top 20 hotels in the world are in Las Vegas.

* Vehicle traffic closed on Fremont Street in downtown Las Vegas on Sept. 7, 1994.

* The Flamingo Hotel, opened by mobster Bugsy Siegel and supposedly named in honor of his girlfriend's long legs, is the oldest original hotel on the Las Vegas Strip, followed by the Frontier. The site of the original Strip hotel, the El Rancho, which opened in 1941, is a vacant lot across from the Sahara Hotel.

* A 1910 law made it illegal to gamble in Las Vegas, something that changed in 1931 when Nevada legalized gambling.

* The first hotel and casino to open in Las Vegas was the Golden Gate in 1906.

* Las Vegas has 124,270 hotel rooms.

* There are 15,000 miles of lighted neon tubing on the Strip and downtown.

-- Sources: AllVegasguide.com, insiderlv.com, govegas.about.com

The Salt Lake Tribune, May 15, 2005

ELVIS IN VEGAS

Elvis Presley might have loved Las Vegas, but the town did not always love him back.

Elvis bombed when he first played Vegas in 1956 at The Last Frontier Hotel, according to historian Michael Green.

"The main reason was not lack of talent, but he was not yet the entertainer he would become," said Green. "It was more like he was a 20-year-old hip-swiveling rock singer trying to play to an audience of people in their 30s, 40s and 50s who did not listen to his music and were not impressed."

But Elvis would eventually become a Las Vegas icon. He made the movie "Viva Las Vegas" in 1964 -- the only year The Beatles played Vegas -- and married his wife, Priscilla, at the Aladdin.

When hotel mogul Kirk Kerkorian opened the International -- now the Hilton -- in 1969, he signed Elvis to what seemed like a ridiculously expensive contract. This time, the entertainer went over big.

"He knew how to come on to the middle-aged as opposed to the teens," said Green. "And, like Liberace, he understood the importance of glitz."

Elvis, who would play Vegas until his death in 1977, became synonymous with Las Vegas because he was glitzy, loud and a caricature of the town, managing to become a bloated figure who managed to be appealing and a source of derision, just like the town.

These days, there are Elvis impersonators all over Las Vegas, including those such as Joey Franklin who perform daily at the Elvis-A-Rama museum just west of the Strip.

There, for an entry of $ 12.95, visitors can see $ 5 million worth of Elvis memorabilia, including a white piano from Graceland, a purple 1975 Lincoln Mark II, movie posters and blue suede shoes.

Visitors can buy such items as a $ 6,500 bathrobe supposedly worn by Elvis, an Elvis tapestry blanket or Elvis Monopoly.

NEON MUSEUM

Las Vegas changes quickly, especially when it comes to its famous neon signs. The Neon Museum, designed to collect, preserve, study and exhibit neon signs, has preserved 11 old signs, some dating as far back as the 1940s, in a free walking tour on Fremont Street. They include the Hacienda Hotel Horse and Rider and the lamp on the old Aladdin Hotel. For a complete walking tour, visit http://www.neonmuseum.org.

The museum also has a "boneyard" of dozens of old Las Vegas signs on the edge of downtown that can be toured by appointment only. Cost is $ 5 per person with a minimum of 10 to a group or a $ 50 donation.

LAS VEGAS BUFFETS

Huge spreads of food, including everything from sushi to steak, have been a way to draw people into Las Vegas casinos for years. But where did they begin? Historian and author Michael Green said the idea may have been invented at the El Rancho Vegas, the first Strip hotel built in 1941. As the story goes, Las Vegas hotel and Chamber of Commerce executive Herb McDonald was working late one night and became hungry. He sat down at the bar in the lounge, and the bartender brought out some cold cuts and sandwich fixings and lined them up. Other patrons asked if they could eat the spread, and an idea was born.

LAS VEGAS WEDDINGS

Nevada's relatively loose marriage rules make Las Vegas second only to Istanbul, Turkey, as the world's most popular place to get hitched. No waiting period or blood tests are required. The $ 55 license can be picked up at the Clark County Marriage Bureau on 200 S. Third St. (702-455-4415) from 8 a.m. to midnight Monday through Thursday, and 64 hours straight from 8 a.m. Friday until midnight Sunday. According to What's On magazine, 128,500 marriage licenses were issued in 2004. Many chapels, including the venerable Wee Kirk o' the Heather that has operated since the 1940s, are available, offering everything from themed weddings to drive-up window weddings.

LAS VEGAS SHOWGIRLS

Las Vegas showgirls date back to the early days of gambling halls on Fremont Street, which included chorus lines and other dancing shows.

Some of the first major shows on the Las Vegas Strip included name performers such as Frank Sinatra. But, according to historian Michael Green, the owners of many casino-hotels believed their customers wanted more of an Ed Sullivan-type variety show that included singers, dancers, comedians and acrobats.

The Copa Girls at the Sands gained some measure of fame, and Minsky's at the now-gone Dunes Hotel broke the topless barrier at the casino-resorts in 1957.

French shows, such as the Lido that began at the Stardust in 1958 and the Folies Bergere at the Tropicana in 1959, added to the Vegas showgirl image, especially one that featured tall women wearing little more than a G-string but carrying huge feathered hats on their heads.

"Las Vegas has always sold sex," said Green. "The question is 'what are the boundaries?' The showgirl image, the icon, has been crucial to how we sell Las Vegas."

GRAPHIC: Vegas Vic, which the Neon Museum helped restore, is a stalwart in downtown Las Vegas' Glitter Gulch.; The Elvis-A-Rama Museum near the Las Vegas Strip celebrates one of Sin City's most famous performers.; Las Vegas Convention and Visitors Authority The Neon Museum, which is open by appointment only, is a sort of graveyard for some of Las Vegas' most famous signs, some of which are being preserved.; Las Vegas Convention and Visitors Authority Easy-to-obtain marriage licenses and divorces make Las Vegas one of the world's most popular places to get married.; Las Vegas Convention and Visitors Authority The showgirl image has been crucial to marketing Las Vegas.

LOAD-DATE: May 16, 2005

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CNN

SHOW: DOLANS UNSCRIPTED 10:00 AM EST

May 14, 2005 Saturday

TRANSCRIPT: 051401CN.V05

SECTION: NEWS; Domestic

LENGTH: 7334 words

HEADLINE: Gambling Attracts Citizens of All Ages

BYLINE: Betty Nguyen, Daria Dolan, Ken Dolan

GUESTS: Felicia Campbell, Keith Whyte

HIGHLIGHT:

Gambling in all its forms attracts young and old alike, from casinos to online poker.

BODY:

BETTY NGUYEN, CNN ANCHOR: Well, good morning. I'm Betty Nguyen. "DOLANS UNSCRIPTED" is straight ahead, but first these stories "Now in the News."

Taking out al Qaeda -- sources tell CNN a missile fired from an unmanned CIA Predator aircraft has killed a key al Qaeda operative. They say Haithem al Yemeni was killed earlier this week somewhere along the Afghan/Pakistani border.

In Central Asia it is estimated hundreds of anti-government protesters and 10 government troops have been killed in two days of violence in Uzbekistan. Yesterday,anti-government protesters in the city of Andijan called on the country's president to step down. The U.S. embassy is urging Americans to stay off the streets as refugees are crossing the border.

Nine U.S. troops have died in Operation Matador. The military announced four American troops were killed Wednesday when their vehicle struck a land mine close to the Syrian border. The week-long operation is against insurgents in western Iraq. Most of the casualties were from Lima Company, which is an Ohio-based platoon.

And, for the first time in his presidency, President Bush will meet with his counterpart from Palestine. An adviser says Palestinian president Mahmoud Abbas will travel to the U.S. for a May 26th meeting with Bush. President Bush first extended an invitation to Abbas in January after he was elected to a replace the late Yasser Arafat.

North Korean leaders say they will hold two days of talks with South Korea early next week. South Korean officials say they'll use the talks to press Pyongyang to return to stalled six-party nuclear talks.

I'm Betty Nguyen. "DOLANS UNSCRIPTED" begins right now.

KEN DOLANS, CO-HOST "DOLANS UNSCRIPTED": I'll bet you're going to love this program! That's my bet.

DARIA DOLANS, CO-HOST "DOLANS UNSCRIPTED": Bet? Bet? Ante up, big boy!

ANNOUNCER: Live, from the Time Warner Center in New York City, with their take on the news, Ken and Daria Dolan.

K. DOLAN: I'll tell you this, every time that camera goes on and we see that Time Warner Building announcing DOLANS UNSCRIPTED, we get so excited. We just love to talk with you on Saturday morning. And there's something -- something very special about live -- live tele -- what are you doing? Daria?

D. DOLAN: Huh?

K. DOLAN: It's a live...

D. DOLAN: Oh!

K. DOLAN: What are you -- what are you doing?

D. DOLAN: I had a scratch-off card, but don't think I won anything. Nope. Didn't win a thing.

K. DOLAN: Well, all right, it is true, we...

D. DOLAN: Wait. Wait a minute. I another chance over here.

K. DOLAN: Daria, you're going to have no chance in you know where of making money there. Did you get it? This is live TV, you know?

D. DOLAN: Hang on, OK. All right. I'm almost done.

K. DOLAN: Did you get?

D. DOLAN: No.

K. DOLAN: Well, what a surprise. Anyway, we're glad you joined us. Pour another cup of coffee, because we are here to talk about some -- and I caught it!

D. DOLAN: Good catch! Good catch!

K. DOLAN: Did you see that, Jay? She rolled a dime and I caught it.

Anyway, that extra cup of coffee. Anyway, we're glad you joined us. Before we get started, we are going to talk about something really important to us, our kids and maybe our parents. We're going to talk about the gambling epidemic in America. We are live -- Jay, come over for one second before we get started. Jay, Welcome back.

UNIDENTIFIED MALE: Thank you very much.

K. DOLAN: This is Jay Conroy (ph) our dear friend and floor manager. Welcome back.

D. DOLAN: And he did not get his hair cut on vacation. He has merely pulled it back for everyone to see.

K. DOLAN: Two, three things. Welcome back.

UNIDENTIFIED MALE: Thank you.

K. DOLAN: We missed you.

UNIDENTIFIED MALE: Thank you. K. DOLAN: Number two, happy birthday to Tyler, your son, and number three...

UNIDENTIFIED MALE: Yeah...

D. DOLAN: How old is Ty?

K. DOLAN: 10.

UNIDENTIFIED MALE: Yep.

D. DOLAN: Ah.

You look barely old enough yourself.

UNIDENTIFIED MALE: It's very expensive to look this cheap. I've told you before.

K. DOLAN: Have you -- shut up. As you know, this is a major budget program. We have purchased -- CNN has purchased, because there's -- money is not enough. There's no money too much for DOLANS UNSCRIPTED. Give everybody a ticket. Let's see what happens. This is recreational, now. This is not what we'll talk about, because Americans spend more money on gambling than they spend on movies, sports and amusement parks combined, Daria. Today we're going to take a closer look at the good, the bad and ugly sides of, well, frankly, laying down a bet. Daria, Daria, you have to read...

D. DOLAN: You know, Jack is addicted to gambling, and he has a job. He has friends. He has supportive parents, but they know little of his addiction, and he wants to keep it that way. So, that's why we've changed his name, we've blurred his face and we've altered his voice, but make no mistake -- though he functions day to day, Jack is living with an illness, gambling. And there's no cure in sight.

(BEGIN VIDEOTAPE)

UNIDENTIFIED MALE (SINGING): Well, I got a job and tried to put my money away, but I got dead set (INAUDIBLE)...

"JACK": I have a major gambling problem.

K. DOLAN, (voice-over): Jack has a disease, and he caught it at age nine. His mother, also a compulsive gambler, would take him to Atlantic City.

JACK: I would just watch her play. She would lose her money, get real drunk and forget about me until the wee hours in the morning.

K. DOLAN: By day, Jack is a six-figure financial adviser in Manhattan. By night, this 34-year-old says he's a pathological gambler.

JACK: Really, there is no limit to what I will gamble on. My favorite gambling -- it's close -- is probably betting on a sporting event, a football game, a basketball game. With a close second being the horses and then followed by going to Atlantic City, and poker.

K. DOLAN: He says he can't afford a car, doesn't own a house and has lost interest in women, and like most gamblers, he's a net loser, dropping more than a half million dollars since his early 20s. His biggest loss was a 1999 football game between the Bills and Titans. He bet on the Bills.

JACK: They were winning with 20 seconds left, and they were kicking off, and they kick it to Tennessee. I'm like, wait! Tackle the kicker, and I'm watching, and all of a sudden I see that someone from Tennessee takes the ball and throws it across field to another person from Tennessee and then I notice there's no Buffalo Bills in sight. So, I wound up losing about $38,500 in a span of six hours, and I didn't have that money.

K. DOLAN: Jack hit rock bottom soon after that. He couldn't pay his rent and his landlord changed the locks on his apartment.

JACK: You know, I have a respectable job, respectable career, yet I can't even get into my apartment to change clothes for tomorrow's work. That was as bad as it got.

K. DOLAN: Betting is like a drug for Jack: constant cravings, highs and lows, total immersion. He doesn't even associate with non- gamblers anymore.

JACK: Without a doubt, gambling has ruined some of the greatest friendships of my life.

K. DOLAN: This is all too familiar to Ed Looney, a gambling counselor and a recovering gambler. He says Jack must quit now. He believes Jack, like all gamblers, will eventually become desperate and the statistics are frightening.

EDWARD LOONEY, GAMBLING COUNSELOR: Pathological gamblers have the highest suicide of anybody, of any addiction. Heroin addicts kill themselves nowhere near like the pathological gambler. So, this is what awaits Jack in the desperation phase, and other compulsive gamblers, unless they get into treatment.

K. DOLAN: Jack says he has the help he needs in the form of a close friend who holds his weekly paycheck and helps limit his losses.

JACK: When I was in control of my own money, I would gamble all the time and had no control. I'd lose every penny. What I do now is I have my paychecks go directly into the account. And it sounds stupid, you know, I'm over 30 years old, and I don't even get my own paychecks. However, I can't lose more than what he'll allow.

K. DOLAN: Looney counters that Jack's enabler is hurting him, not helping, and in any case, he won't be there forever. For now, though, Jack's not quitting, even though he knows that's a gamble.

JACK: I believe that I will start to get lucky. Things will turn around. Things will get better, and I won't lose all the time. Hasn't happened yet, so it's probably a foolish thought, but I'm going to keep thinking it until it does happen and I hit another rock bottom, then we'll have to re-assess.

(END VIDEOTAPE)

D. DOLAN: Well, we thought we'd start off with Jack, who, as I said, that's not really his name, but, you know...

K. DOLAN: Amazing. How do you get hooked like that at that young age? He's not a -- he's in the financial business, I guess. I don't know who it is, but this is not a stupid kid.

D. DOLAN: Well, and here's the other thing, and one of the reasons why it was important that we keep his identity hidden from you. When you work in the financial industry, the last thing they want is a gambler.

K. DOLAN: Last thing they want.

D. DOLAN: So, consequently, he runs the risk of getting into real financial trouble and eventually losing his job, and then what does he do?

K. DOLAN: You know, my problem is, maybe you guys -- maybe the A-team here, or anybody across America -- my problem is, I work hard for my money. I love to bet a buck with Jay or Sean Yates, our senior producer, on the Yankees versus the Red Sox, Chris, our camera guy, or whatever. Love the idea of placing a little bet, but to go and spend $500 or $1,000 or $10,000 on a football game. I mean, I love to watch it, but I just don't understand why it means so little.

D. DOLAN: I know.

K. DOLAN: Well, I guess there's no wonder America spends so much money gambling when you consider that gambling's everywhere.

(BEGIN VIDEOTAPE)

BING CROSBY (SINGING): Every time it rains, it rains pennies from heaven...

UNIDENTIFIED MALE: Thirty years ago, if you wanted to go to a casino, had you to go to Nevada. Now, gambling is everywhere: at the racetrack, at the gas station, at your local bar, on TV, and right at home on your computer.

Commercial casinos now operate in 11 states, and travel casinos can be found in 28 states. These casinos contribute almost $5 billion in taxes to state and local governments last year. Forty states and the District of Columbia also make money from lotteries and many offer Keno games in bars.

Some form of legal gambling is available in every state, except Utah and Hawaii, but even in Utah, the internet has brought gambling to the home. While illegal under federal law, Americans are the biggest customers for online casinos and poker rooms in the Caribbean and Europe.

(END VIDEOTAPE)

K. DOLAN: Yes, quite amazing, when you think about it. There used to be an old statistic -- Alex Nelson (ph), our brainiac, told me that a large junk of America was, like, within an hour of a gambling casino. That doesn't even matter now. They're within 12 seconds, go into your computer.

D. DOLAN: Oh, no, no, no. Oh, yes, no, no.

K. DOLAN: Casinos, yes.

D. DOLAN: Everybody in this country is as close as 300 miles to a casino.

K. DOLAN: My point, Daria, is, with gambling online now, you're as far as -- from here to the bedroom where the computer is sitting.

D. DOLAN: Oh, yes, absolutely.

K. DOLAN: It is so easy to gamble.

D. DOLAN: Extremely easy, and therein lies the problem for a growing number of Americans. But still to come, if you have a few spare bucks and plan on doing recreational gambling, what gambling options give you the best chance of losing the least money?

K. DOLAN: Oh, boy! Also, the senior circuit gets their game on; why the 65-and-older crowd is spending more and more retirement bucks, hard-earned bucks, chasing the big jackpot.

D. DOLAN: But, first, college students go all-in on the poker craze. That story, after the break, right here on DOLANS UNSCRIPTED.

D. DOLAN: Well, you know, it's 10:00 at night. Do you know where your kids are? Parents of teenage gamblers say, yes, they do. From suburban basements to college dorm rooms, there's a new game in town.

(BEGIN VIDEOTAPE)

D. DOLAN (voice-over): Jon Zengota is a junior at a New Jersey state college and an avid gambler.

JON ZENGOTA, JUNIOR IN COLLEGE: Texas Hold 'em to college kid, it's like the new holy grail. I started playing with friends, and then when friends weren't around and I wanted to play, because I like the game a lot, I would go online and play, and i found a few sites that were good and found some sites that were easy to deposit money in and made it a lot easier to just get on there and start gambling online.

D. DOLAN: Zengota says he plays up to 50 hours a week, which cuts into his study time and sometimes his budget, and he's not alone. A combination of easy access to the game on the web... UNIDENTIFIED MALE: Call.

UNIDENTIFIED MALE: And Williams will call!

D. DOLAN: ...and poker shows like those on ESPN...

UNIDENTIFIED MALE: Yes!

D. DOLAN: ...Bravo, and the Travel Channel...

UNIDENTIFIED MALE: She doesn't do it! (INAUDIBLE) ...just doubled up.

D. DOLAN: ...has made Texas Hold 'em into an absolute phenomenon on college campuses. But there are signs the stakes may be getting too high. Dan Romer studies adolescent risk at the University of Pennsylvania.

DAN ROMER, UNIV. OF PENNSYLVANIA: We try to track weekly playing, because that's has we regard as more serious form of gambling. But when young people are starting to do it as a regular habit, at least once a week, that's when we regard it as a lot more serious problem, and we're seeing about one in 10 college students, which is roughly comparable to what we're seeing among high school kids.

UNIDENTIFIED MALE: I've raise a dollar so it's three to you.

D. DOLAN: That's right. Younger teens are getting in on the game, too. Alyse Holbrook is a high school senior in a Philadelphia suburb. She plays Texas Hold 'em for five or 10 bucks a game.

ALYSE HOLBROOK, SENIOR IN HIGH SCHOOL: It's been popular for the last two years. It's been -- and, this year, it's even gotten more popular in our school. We play almost every weekend, sometimes week days. I mean, it's just something fun to do, because there's not a lot for us to do around here.

D. DOLAN: Some parents see poker as an innocent alternative to other dangers facing young people.

TIM HOLBROOK, ALYSE'S DAD: Some people might see young teenagers playing poker as signs of worry or to be overly concerned in terms of parents. And I'm not particularly in that crowd. I'd rather have them here and -- most of

their parents we know, so they know that they're over at Alyse's house playing poker, so, I think it's a very comforting for, not only myself, but also for the other parents that are involved.

D. DOLAN: However, many experts insist, the earlier you start gambling, the greater your chances of having a problem later in life.

(END VIDEOTAPE)

D. DARIA (on camera): It's also been said that children who gamble are much quicker to take risks that maybe children who aren't gambling don't take.

I don't know, Ken. Something strikes me a little a little odd when parents think kids sitting in the basement gambling is better than, maybe, spending some time with their children.

K. DOLAN: Well, maybe so, Daria, but on the other hand, I understand the point, although I'm not sure psychologists back it up, that in fact, at least they're home, not in the streets drinking, and drinking beer and boozing it up and taking drugs.

On the other hand, though, there is, as you said at the end of the piece, Daria, is that some psychologists say, well, maybe that's just endemic -- it's like saying, well, smoking pot's not so bad, but might it lead to something else?

I'm going to tell you this, it is all around me. I get invited two, three times a week to play cards. I haven't played cards for money for 30 years, and that was for three buck, I think, when I was in college.

D. DOLAN: Sure.

K. DOLAN: But I'll tell you, it is sweeping America, and young adults are getting swept up in it, Daria.

D. DOLAN: They are.

K. DOLAN: Yes. And young adults aren't the only ones spreading their recreational hours, placing a wager or two. Seniors are also getting in on the action. One-armed bandits beware! Watch out! Grease up the machines when DOLANS UNSCRIPTED continues. Stick around.

K. DOLAN: Hi, everybody. Welcome back. This is our -- d'oh, boy. Oh, you got to know when to hold 'em. That's our cartoon.

D. DOLAN: Our "Dolans Doodle."

K. DOLAN: That's our "Dolans Doodle" making the last bet. The keys and the deed on table -- I wouldn't ever bet you, Daria.

D. DOLAN: I hope not. I hope not.

K. DOLAN: Thanks to Mike Ciccotello who does our cartoons. Mike does..

D. DOLAN: Ah, ahem!

K. DOLAN: Oh, who did that sign?

D. DOLAN: Mr. Ciccotello himself because you blew it last week, and he said you're not going to do it again.

K. DOLAN: Why do I say Chicorelli (ph)? I have no idea. Anyway, thanks to Mike --

D. DOLAN: Hang on to it.

K. DOLAN: Was that some catch, Dean? Chicorelli, OK, Ciccotello.

D. DOLAN: Oh! He did it again. He's holding the sign.

K. DOLAN: Get out, get out, get out, get out. They witnessed the Great Depression, lived through World War II, American seniors, without a doubt, have taken risks before, but nowadays, it's, well, it's a risk of a different nature. Take a look.

(BEGIN VIDEOTAPE)

FRANK SINATRA (SINGING): Luck, be a lady tonight...

K. DOLAN (voice-over): Meet the new -- well, old generation of risktakers and thrill seekers, America's senior citizens. They arrive by car and by bus ready to trade in a few retirement dollars for gambling vouchers.

UNIDENTIFIED FEMALE: If you have a couple extra dollars, I don't think about it. Just go do it. Have fun.

UNIDENTIFIED MALE: I'm approaching 70. I don't know if I have that many more years. Let's enjoy the money. I worked hard for 45 years.

Reporter: One of three senior citizens now participates in some form of casino gambling. That's up from one in four last year. That's according to a recent survey by the American Gaming Association.

UNIDENTIFIED MALE: Oh, I'd like to hit the jackpot. It's exciting. You know? It's something to do, in my old age.

UNIDENTIFIED FEMALE: I enjoy the stimulation. Otherwise, I'm home. I'm a homebody.

UNIDENTIFIED FEMALE: I can't wait to come here.

Reporter: Getting seniors in on the action is good business for Atlantic City casinos such as the Hilton, Bally's and the Tropicana, where slot machines and tables wouldn't otherwise see heavy action during mid-week daytime hours.

UNIDENTIFIED FEMALE: Jack (ph) machine, nickel machine, quarter machine, 50 cents machine, and dollar machine.

UNIDENTIFIED FEMALE: For some reason, I try to find a machine that has a bit of black on it and also maybe the fifth machine or the fourth machine, from either side, for me, because five-four is my lucky number, and I have dreams of the black, the black machines.

Reporter: Casinos team up with area bus companies like this one run by Premiere Bus Line to get the 65 and older crowd in by noon and back on to the bus by 6:00.

NELSON GONZALEZ, DISPATCHER, PREMIER BUS: Between 75 percent and 80 percent of our ridership are senior citizens.

DANIEL SERRANO, DRIVER, PREMIER BUS: They always come back. I know them by name, and they're very sweet people. You know, it's -- it's like a relationship that we got.

Reporter: But it's not just casino gambling piquing the interest of this crowd -- more seniors are playing the lottery. Interest in playing poker has more than doubled, and a few more seniors are even venturing into virtual casinos, placing bets online.

Still, many say it's the companionship and social aspect of the casino experience that keeps them getting back on the bus. Plus, at any age, the thrill of walking away with a few dollars in your pocket never gets old.

UNIDENTIFIED FEMALE: You feel like you're in the Never- Neverland. It's like a fairyland, and you never want it to end!

(END VIDEOTAPE)

K. DOLAN (on camera): Oh man, I dream of the black machine. Interesting.

K. DOLAN: That was their relationship with these machines. They pat them. Some of them yell at them.

K. DOLAN: There may be some psychological benefits to gambling. We're going to talk about it.

D. DOLAN: Well, there's a lot of people who will disagree, but our first guest this hour says that there are some psychological benefits, and she's joining us to talk about them. Her name is if a Felicia Campbell and she is at the University of Nevada, Las Vegas, of course, in Las Vegas.

K. DOLAN: Could you be in a better place, Felicia, to talk with us, please?

FELICIA CAMPBELL, UNIV. OF NEVADA, LAS VEGAS: Oh, I couldn't be in a better place to talk to you about this!

D. DOLAN: All right, talk to us, right off the bat, about, in your opinion, the psychological benefits derived from gambling?

K. DOLAN: If any.

CAMPBELL: Oh, there are -- I think there definitely are some. There are psychological benefits to risk-taking of all sorts. You just had the segment on senior citizens, and clearly they are finding something of psychological value there. I think you get a way of decision-making, and gambling is also, we know, an altered state. And it moves you into another state and, like, away from just traditional everyday boredom. K. DOLAN: That's a good point.

D. DOLAN: Are these psychological benefits on the whole greater for the senior citizen generation, or do, across the board, even -- we talked a little bit earlier and showed our audience teenage and college gambling?

CAMPBELL: Yes. I don't really know much about teenage and college gambling, but I do know that there are benefits for all sorts of people like -- I mean, there are only about, what, 4 percent of problem gamblers? And the rest of the people, and like for the businessman, it can be a kind of mini vacation. Again, because it's an altered state, and it pulls you totally out of the things that you've been thinking about, and worrying about.

K. DOLAN: Felicia, is gambling sort of a part of our DNA, a part of our fundamental activity? Like, we all --- it's sort of all there somewhere? So, it comes out worse or faster in others, but it's underlying there under the skin?

CAMPBELL: Yes, I think it is, in one way or another for most people. Not everyone wants to do casino gambling, but -- and look today at the extreme sports, at all of the things that we have to go, that allow us to, know, test our fates with the gods and move ourselves forward, and even, you know, going into space and things like this involves risktaking. So, risk-taking in some sense moves us ahead. Casino gambling may not be the most valuable kind of risk-taking but it seems to work for an awful lot of people.

D. DOLAN: And, very quickly, Felicia, because this I found fascinating. You've even done the psychological study on why casinos look the way they do?

CAMPBELL: Right. Right. Well, yes. And there's a lot of psychology that goes behind the way the casinos are designed. When you enter a casino, you enter in an unreal world. You sort of leave the traditional world that you're in. It's kind of like a shaman going into a jungle or something like that. So you enter a world which is basically non-linear. Even the carpets are designed to move you into another state. The casinos are themed. I mean, you have left Dubuque, Iowa. You are someplace else, And, you know, in some ways, sort of in control of, you know, what you're doing, if you think of the collar going up and you have the swagger and all that sort of thing. And it's, you know, a kind of fantasy that a lot of people really like to engage in.

K. DOLAN: Uh-huh.

D. DOLAN: Felicia, fascinating study. Thanks so much for joining us. Felicia Campbell at the University of Nevada, Las Vegas.

K. DOLAN: And I'll bet you, Felicia, went into any casino right now, even at this young hour, as live as we do this show in Las Vegas, which would make it, I don't know, 8:00 in the morning or something, the casino would probably be full. You know, nearly 50 percent of Americans, at least occasionally, plunks down a buck or two (ph) to chase the lottery dream. Well, how to improve your odds, recreationally. The recrea -- the odds of taking home the big bucks. We'll do it when DOLANS UNSCRIPTED returns.

D. DOLAN: A little common sense goes a long way to play the lottery. We'll have details in a moment, but first, let's send it back to my buddy Betty Nguyen in Atlanta for the top news headlines.

NGUYEN: Hi, Daria. I got to play that lottery? I'm still waiting out for my numbers to be picked. We'll talk about that in just a little bit. Right now let's talk about some news that's making headlines. Sources tell CNN that al Qaeda leader, a key al Qaeda leader is dead after a missile attack from a CIA remote controlled plane. Sources say the U.S. had been following him in the hopes that he could lead them to Osama bin Laden. We'll continue to follow-up on that as well.

In central Asia now, it is estimated hundreds of anti-government protesters and 10 government troops have been killed in two days of violence in Uzbekistan. The protesters are calling on the country's president to step down. Now, the U.S. embassy is urging Americans to stay off the streets and some refugees are fleeing the country.

In Iraq, two bombings in Baghdad killed at least eight people. One incident involved a car bombing apparently meant for a police patrol. Another involved street cleaners accidentally setting off a roadside bomb. Meanwhile in

western Iraq, the death toll from the U.S. military's operation "matador" now stands at nine. Officials say four more Marines died in an explosion on Wednesday. Just want to send it back to the Dolans and Ken I hear, good morning.

K. DOLAN: Hey, Betty, how are you? Good luck with getting your numbers Betty. The old saying, you can't win if you don't play. That's at least what the folks at the lottery like to say. Lady luck only shines down on the fortunate few. Dream on.

(BEGIN VIDEOTAPE)

UNIDENTIFIED FEMALE: This is going to be it. I'm going to be a millionaire!

KEN DOLAN (voice-over): A dollar and a dream. For all but the luckiest few, a couple of "what if" moments is all your buck buys you. In fact, you have a better chance of being struck by lightning than hitting the jackpot. But that doesn't stop us from playing! Half of all Americans say they bought a state lottery ticket in the last year, according to a Gallup poll, making it the most popular form of gambling.

UNIDENTIFIED MALE: Tim Cahill, treasurer of the commonwealth of Massachusetts. K. DOLAN: Forty states and the District of Columbia run lotteries. In 2003, lottery sales totaled $45 billion. Where does the money go? Well, it's up to state officials to decide. Profits often go to fund a wide range of causes, including education, environment, programs for seniors, healthcare and sports facilities. Lotteries are not a new idea. Caesar ran the first public lottery to raise funds for repair work in Rome and George Washington used a lottery to fund construction of a road.

(END VIDEOTAPE)

K. DOLAN: Well, if you do play, always check your numbers. It seems obvious, but an estimated 12 percent of lottery prizes actually go unclaimed. That's according to the multi-state lottery association. So if you want a shot at the big pot, there a few simple things you should keep in mind recreationally now.

D. DOLAN: Please, not the rent check into this. You need to know the odds. Odds in the lottery do not change, believe it or not, when more people buy tickets. Your odds of winning the jackpot in the powerball are one in more than 120 million no matter how many people play.

K. DOLAN: Well done, Daria. And if you're playing recreationally again, pick less common numbers. You can give yourself a slight edge -- really slight -- by playing numbers that aren't frequently played by others. That means avoiding birthdays and stuff like that. It won't increase your chances of winning the pot of gold but it does increase the chance you well, won't have to share it.

D. DOLAN: And photocopy your ticket. Always keep the original and the copy in separate places. You may want to write your name and ticket owner on your ticket just in case a dispute crops up.

K. DOLAN: And that's right and the last thing, I think -- the last one is avoid the stale games. Scratch games keep going even after someone has taken home the big prize. You may not want to buy a ticket if there isn't a big pay off left to be won.

D. DOLAN: I have one last one here.

K. DOLAN: (INAUDIBLE) maybe.

D. DOLAN: Do not buy junior a ticket. Now you might think a scratch ticket makes a cute gift for the little one, but minors aren't legally allowed to play. A million dollar ticket could become invalid if someone under 18 shows up to claim the prize. In my opinion, you can wait a little while before the kids learn about gambling, even a scratch off card.

K. DOLAN: All of a sudden, $2 or $3 or $10 on the kid's things for the thing and they're hooked.

D. DOLAN: But now we had to share one lottery story from this week that we couldn't help but include in this show. A March 30th powerball drawing produced 110 matches for 506 winning numbers, and lottery officials, of course immediately suspected fraud.

K. DOLAN: Who was the culprit?

D. DOLAN: It was a fortune cookie factory in Long Island Queens.

K. DOLAN: Apparently the numbers had been printed on the bottom of the fortunes of the fortune cookies from the factory. The winning tickets are worth between $100,000 and $500,000, depending on the bet. Good luck in trying to sort out the cookie mess!

D. DOLAN: New York State lottery has a wealth of complaints (INAUDIBLE) those out.

K. DOLAN: What's next?

D. DOLAN: Well, next, whether it's a lottery ticket or a horse race, most Americans gamble at some point in their lives. But about one in 25 are problem gamblers who are unable to control their urges and hold on to their money. What are the costs? Is there a cure? Stick around. We'll tell you.

D. DOLAN: If you think you or someone you might know has a gambling problem, here are some websites you need to check out. The National Council on Problem Gambling, Gamblers Anonymous and Gam-anon.

K. DOLAN: Got you. Good stuff, Daria. Thanks, that's our threebe (ph) feature. How big is the problem? How big and how many people does it encompass? Is there a cure? And I suppose even alternatively, is it a bad thing? We'll talk to Keith Whyte is the executive director of the National Council on Problem Gambling. He joins us from Washington. Keith, how are you?

KEITH WHYTE, NATIONAL COUNCIL ON PROBLEM GAMBLING: Good morning.

K. DOLAN: Good morning. Nice to see you, Keith.

D. DOLAN: Keith, your organization would estimate that there are how many problem gamblers in the country? Do you have a number for that?

WHYTE: Between 7 million and 8 million adults would meet criteria for a gambling problem in the past year and about 200,000 teens, that is under 18.

D. DOLAN: 200,000 teenagers are already problem gamblers?

WHYTE: Yes. In fact, the percentage rate for teenagers is actually higher than the adult rate. Although that tells us a few things, perhaps this is partly just being a kid, and that some teenagers may age out of this, as they grow older, but the important part is, obviously, that the younger you start, the more likely you are to have a problem, and that a problem can be devastating for someone at any age, especially a teenager. K. DOLAN: Keith, I shouldn't speak for your organization. You certainly can do that, because that's what you do. You're not against gambling, but you are -- for responsible gambling?

WHYTE: Absolutely, yes. We've been national since 1972, the national council's been neutral on legalizing gambling. We see it a lot like alcohol. It's a behavior and activity. It's how you use it and if you can use it responsibly, that's what we're concerned about and obviously, helping the people that have a problem.

K. DOLAN: Uh-huh.

D. DOLAN: Keith, 48 states excepting Hawaii and Utah has gambling of one form or another. Even in Utah and Hawaii, if you've got a computer you can go online and you can gamble. How much is this exacerbating the problem?

WHYTE: We think gambling has always gone across state borders. Gamblers have gone across state borders, gambling advertising. The Internet is merely the latest wave that people are able to gamble and it's never been hard in Utah and Hawaii to buy a deck cards. But, really what we see is the gambling is now becoming more than ever sort of a worldwide phenomena. There's very little -- frankly, there's very little way to escape from it. We're bombarded, we're saturated by the glamorization of gambling in the media. I think that's a big difference over the last maybe even 10 years.

K. DOLAN: Keith, it seems to me, I'm not a psychologist, but it seems to me one of the problems may be -- call me a knucklehead if it's true and that is, if I maybe have a drinking problem, I'll be swaying while I'm walking and you can see me and I'm not speaking properly. But there's very often no outward sign and so sometimes it's hard for people to recognize to even help you unless you come out and ask.

WHYTE: Absolutely. We call this the hidden addiction, because there are few if any, obvious outward physical signs. I'm not a psychologist either, but it's very hard to talk to people about their money and about their behavior. The line between recreation and obsession, in some cases, is pretty thin.

D. DOLAN: Can you give us a quick down and dirty on some of the warning signs, so that if someone listening to us right now wonders if they have a problem, they might recognize it?

WHYTE: Absolutely. The most important thing we would say is that there's help and hope available. But this is not just a one-way street. Addicts often get that sort of narrow tunnel vision where they see and especially for gamblers, they see more gambling is the only way out of a devastating financial problem in this case. The three classic features of addiction are preoccupation, tolerance and loss of control.

D. DOLAN: OK. And lastly, if I go to, say, Gam-anon online and I get counseling and I kick the habit, am I like an alcoholic where I can never go into a casino again or buy a scratch ticket? WHYTE: Probably. If you've lost control over your gambling, then that's - then being able to think that you're going to be able to regain control and still be able to gamble is a tough thing. Some people can do it and it's certainly, we would say that you would want to match the level of severity with the level of treatment, but in general, if you've already lost control once, to tempt yourself by going back is pretty, a pretty bad bet you may say.

K. DOLAN: Keith, we appreciate you spending time with us on Saturday morning very much. Best of luck and continued success to you and your organization. Keith, thanks very much.

WHYTE: Thank you very much.

K. DOLAN: Well done. Thanks, Keith.

D. DOLAN: We also wanted to mention the National Council on Problem Gambling runs a 24-hour confidential national health line. So if you think you've got the problem, here's the number, write it down. 1-800-522-4700.

K. DOLAN: Good work, Daria. Thanks. Coming up, there's always one winner in the casino, the house. Knowing the odds can save you from losing big. We're talking recreational now. We'll tell you the smart bets, next.

D. DOLAN: We all know about student loans, but how about parent loans? A parent loan also known as a plus loan can be an attractive option. It allows parents to borrow up to the total cost of attendance for each year a child is in school. It's not a need-based loan and it's available year-round. So even if you've already paid tuition and education expenses, can you still get reimbursed.

K. DOLAN: Oh, boy. Americans love going to the casino. 54 million people visited a casino last year and all of them went in with the idea of, this is my day, Daria or my night!

D. DOLAN: You know, there's a reason casinos make so much money. Most people lose and it's not just luck. The odds really are stacked against you especially on the games that are easy to play.

K. DOLAN: Daria, one of your favorites, when we go about every 10 years. Lots of them -- slot machines are the most popular game in Vegas and big moneymakers for the casinos because they hold on to so much of your money. The 25 cent slot machine will keep almost 8 of every $100 you put in. A $1 slot keeps just over $6 of every $100.

D. DOLAN: Next to slots, which I think is easiest, roulette is the easiest table game to play. Pick a number, spin the wheel, see if you've won. But the casino is always the winner. Remember that. They hold on to $5 of every $100 at the roulette table.

K. DOLAN: The one that I did once in my life -- once -- heading over to the craps table. All of the possible bets can be confusing, but one of the easiest bets also has some of the best odds for gamblers, betting on the pass line. The casino will keep just over $1 of every $100 bet. It is treacherous.

D. DOLAN: No, but if you put it on the pass line, you're going to have better odds than in anything else.

K. DOLAN: Put it on the pass line, lady! Never mind.

D. DOLAN: Blackjack is the most popular table game, because it's easy to play and everyone thinks they can win. Blackjack has the best odds of any game in the casino. Under 1 percent, if you play basic strategy. But the casinos make a lot of money from blackjack because gamblers go with their guts instead of trusting the odds.

K. DOLAN: All right. Let's go. Bottom, Dolans' bottom line, these odds are over a period of time, doesn't mean you'll walk away with $99 when you bet $100. They mean that over time you'll always lose. Jay Conroy, our floor manager's dad said, they don't build casinos on the backs of the winners. Get it? Know the rules and the odds before you

play. Only bet with money you can afford to lose and, remember, sooner or later, the casino is going to get you. Thank you and good-bye.

D. DOLAN: And you know, there's a lot of myths out there, a lot of books have been written.

K. DOLAN: Systems.

D. DOLAN: They have systems. There are no systems, because if there were systems that could consistently work, do you think there would be as many gambling casinos? No, there wouldn't be. The fact of the matter is, a color or your number or -- it's got to be my time to win now. You got a 50/50 shot all the time, all the time. So all these myths, forget it.

K. DOLAN: We'll talk at the end of the hour. We've handed lottery tickets out to our gang, to Dean and Shane and to Chris and to Jay and of course, Amy, to see if anybody won. We'll talk about it. During the course the hour, we've been discussing the various aspects of gambling. After the break, we'll get to your thoughts and comments, Dolans on demand straight ahead. So take part. We're at 800 304-3638 or you can e-mail us at dolans@cnn.com. Get involved. We'll be right back.

K. DOLAN: Any day you wake up is a beautiful day, in my opinion. Dolans on demand, a chance for you to weigh in live television. We love it. Mike in Pennsylvania. Mike, how are you? Good morning.

CALLER: Good morning, Ken. Good morning, Daria. How are you?

D. DOLAN: How are you Mike?

K. DOLAN: Thank you Mike. CALLER: This is a good show this morning and very good things for the corollary between trying to establish private Social Security investment funds and gambling because that's exactly what's going to happen if we take money out of the Social Security trust fund because we know that the Wall Street investors and the houses are just salivating to get their hands on all that money.

K. DOLAN: Mike, I'm not so sure that's true and you know Daria and I are both from Wall Street Mike and I don't totally disagree with what you said. I'm not for many people in favor of the private account system. I just don't know how -- I'm not sure what type of windfall Mike we've got from Wall Street. Talking about a lot, a lot, a lot of (INAUDIBLE) accounts.

CALLER: One last thing on gambling. There's one system, Daria, you mentioned. Here's what you do. You win, take half your money, put it in your pocket, play with other half. If you win again (INAUDIBLE) That's the only system.

D. DOLAN: Exactly.

CALLER: Love the show, take care.

D. DOLAN: Thanks a lot.

CALLER: Good-bye!

K. DOLAN: Pocket your winnings, Mike says.

D. DOLAN: Why not? Do that with your stocks, too. Shouldn't be sitting there watching them go down, down, down.

K. DOLAN: All right.

D. DOLAN: Kirk in California. Kirk, how are you?

CALLER: Good morning.

K. DOLAN: Good morning Kirk.

CALLER: I appreciated your comments about the casinos but I have a question. I've never been able to make money trading the (INAUDIBLE) either.

K. DOLAN: The foreign exchange, no kidding! Kirk, a lot people without experience in trading foreign currencies and I used to be registered to do that 1,000 years ago, you think blackjack and craps is gambling, yikes!

D. DOLAN: Interestingly enough, Keith Whyte, who is with the nonprofit that we interviewed from Washington just a few minutes ago, when our booker researcher Stephanie Ganken (ph) asked him does he gamble, he says, yes, I buy stocks.

K. DOLAN: Quite amazing. Kirk, we're going to drive on. Our lines are full, if you don't mind. Richard in Florida. Richard, welcome to DOLANS UNSCRIPTED.

CALLER Hey. Good show. I disagree with the fellow from the association that said the problem gambler can get over it and maybe go back. It's proven gambling that is an addiction like everything else, overeaters, alcoholics, narcotics, et cetera. I'm an ex-gambler. I used to love it and so I realize that I had lost a year's salary in two months.

D. DOLAN: Wow.

K. DOLAN: So there was a problem.

CALLER: After going to a 12-step program for something else, one of my other addictions, I can go back now and walk in with $100 and walk out.

D. DOLAN: Can you?

K. DOLAN: Heaven's sakes!

CALLER: I am one in a million. Most people will say, yeah, I'm over it. They'll go back in. They'll take their Visa card and they're stuck again. If you're a problem gambler the best thing is not to go back.

D. DOLAN: Richard, thank you so much for sharing that story, and good for you for beating your addiction. But you know, interestingly enough, a little sidebar, we gave out those little scratch cards at the top of the show. We had six of them here in the studio. Only Jay Conroy, our floor manager, gets a buck. Oh! And Alice won a buck won in the control room.

K. DOLAN: We hope that you enjoyed the program. At the end of every DOLANS UNSCRIPTED, we each take 30 seconds to talk about what's on our mind. First of all, thanks for the call everybody. There was a time when we used to be proud to get an A or maybe even a B on a test when we were in school, do better than the other kids, make my parents proud. Starting next year, elementary schools in Palm Beach County, Florida, plan to replace A to F grading with numbers one, two and three. The number system makes it very difficult to determine which students are doing really well and those who are merely treading water. We're creating a generation where feeling good about yourself is more important than realistically preparing our kids for life's bumpy road. Get serious.

D. DOLAN: Well, I'm moving on, staying with the gambling topic. Last Saturday was the 131st running of the Kentucky Derby. Now, with all of the touted favorites, who took the prize? The 50-1 long shot, the horse with the biggest heart, Giacomo. I knew that horse would win as soon as I heard he was running. By the way, last Saturday would have been my parents' 59th wedding anniversary if my father had lived. Dad had a big heart, too. He was a winner. Oh -- did I mention, his name was Jacimo.

K. DOLAN: How much time do we have, Shawn (ph)? I miss him.

D. DOLAN: Yep. Well...

K. DOLAN: The beauty of live television. Hey, we'll see you next week. "THE TURNAROUND" is next after the top news headlines in this hour. Next Saturday morning, Dolans.

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LOAD-DATE: May 15, 2005

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Copyright 2005 DR Partners d/b Las Vegas Review-Journal
Las Vegas Review-Journal (Nevada)

May 14, 2005 Saturday FINAL EDITION

SECTION: B; Pg. 1B

LENGTH: 1152 words

HEADLINE: Galardi brags of clout on tapes

BYLINE: Carri Geer Thevenot

BODY:

SAN DIEGO -- Strip club mogul Michael Galardi bragged about his connections to Las Vegas judges during secretly recorded conversations that jurors heard Friday.

In a June 2001 conversation recorded by FBI informant Tony Montagna, Galardi said Las Vegas vice officers know 'it's a waste of time' writing tickets at his clubs.

'Because as soon as it gets to the judge, the judge can kick it out,' Galardi said.

'Really?' Montagna asked.

'They know, yeah, because those guys are all elected, those judges,' Galardi said. 'They're not going to (expletive) with us. I'm the guy who gives them the money to get elected, so, you know.'

Galardi has pleaded guilty to bribing politicians in both San Diego and Las Vegas. During the coming weeks, he is expected to testify for the government in its corruption case against former Clark County Commissioner Lance Malone, who worked for him as a lobbyist, and two San Diego city councilmen.

According to court records in the case, Galardi also claims he has bribed numerous judges, but their names have not been made public, and no judges have been charged.

Judges who have accepted campaign donations from Galardi include Municipal Judge Toy Gregory and Municipal Judge George Assad. Galardi gave $5,000 to each of their campaigns.

Gregory is among the local officials listed as a possible defense witness in the San Diego trial. In a recent interview, he said he never has met Galardi and could not imagine why he would be a potential witness.

'He made a contribution to me during my campaign, but that's the only connection I've ever had to him,' the judge said.

In an interview following Friday's proceedings, defense attorney Dominic Gentile accused Galardi of equating campaign contributions with bribes.

'He has no ability to distinguish the two,' said Gentile, who represents Malone. 'In his mind, if he donates money to a campaign, he expects something back.'

Montagna wore a body wire for 2 1/2 years while assisting with the FBI's corruption investigation.

The informant, who landed a job as Galardi's head of security during the investigation, took the witness stand Thursday. His testimony is expected to last at least two weeks.

Prosecutors are using Montagna's testimony to add context to the recorded conversations they are playing for the jury.

After the June 2001 recording was played in court on Friday, Montagna said he understood that Galardi was bribing a Las Vegas judge.

During the conversation, Galardi employee John D'Intino described his boss as 'pretty well politically connected' in Las Vegas.

Montagna testified that he believed that comment meant Galardi 'had enough power and pull with the politicians in Las Vegas that he could get away with almost anything.'

During the recorded conversation, Galardi said, '**Vegas** is getting big, but it's still like a small town. That's the good thing about **Vegas.**'

Galardi also boasted about having more power than those in the casino industry, saying, 'They know I got the commissioners, man.'

'I guess they don't have the balls that I do to go to these commissioners and say, 'OK, how much you (expletive) want,' you know?'

Malone faces charges in a pending Las Vegas corruption case with two former Clark County commissioners, Dario Herrera and Mary Kincaid-Chauncey. Former Commissioner Erin Kenny has pleaded guilty and admitted accepting bribes from Galardi.

'I keep it cool with these politicians, too,' Galardi said in the June 2001 conversation. 'I tell them, 'These are campaign contributions. Here you go. Here's your campaign contribution.' So I'm clear. If they show it, that's up to them, you know? But I'm, I'm telling them right out, this is a campaign contribution.'

In court on Friday, prosecutors displayed a surveillance photo of Michael McDonald, who was a Las Vegas city councilman at the time, with Galardi at a political fund raiser in San Diego.

Montagna testified that he never brought money to McDonald.

'Did you ever see him accept money?' Assistant U.S. Attorney Robert Ciaffa asked.

'Yes, sir. I did,' the witness replied.

Montagna said he saw McDonald receive cash from an office safe at one of Galardi's strip clubs. U.S. District Judge Jeffrey Miller upheld an objection from Gentile when Montagna characterized the payment as a 'kickback' or 'bribe.'

McDonald, who once worked as a paid consultant for Galardi, has not been charged in either the San Diego or Las Vegas corruption cases. The former councilman has said he always abstained from voting on matters involving the Galardi family.

Prosecutors have informed the defendants in the San Diego case that Galardi will testify about bribing McDonald 'before, during and after' his time in office. McDonald's attorney has called the allegation 'complete fantasy.'

Malone was indicted in August 2003 with San Diego City Councilmen Ralph Inzunza, Michael Zucchet and Charles Lewis. Lewis died last year.

Prosecutors claim Malone paid money to the councilmen on Galardi's behalf in exchange for their help in repealing the 'no-touch' provision of San Diego's nude entertainment business ordinance.

The law, which bans touching between strippers and their customers, was passed in 2000 and remains in effect.

Inzunza and Zucchet claim they received only legitimate campaign contributions through Malone, not bribes.

Gentile admits that Malone violated San Diego law by helping Galardi reimburse people who made contributions to the councilmen's campaigns.

'I would plead him guilty to that today,' the lawyer said. 'That's a misdemeanor.'

The scheme was designed to disguise the source of the funds and protect the candidates from the political fallout that can come from associating with the adult entertainment industry. In addition, it allowed Galardi to exceed limits on campaign contributions.

Malone also is accused of paying money to a vice detective, who was working undercover, in exchange for advance warnings about vice inspections at Galardi's totally nude club in San Diego.

Galardi and D'Intino, the club's manager, have admitted their roles in the scheme. Gentile claims the two men did not trust Malone and shielded him from bribes paid to the police officer.

One of the recorded conversations played in court on Friday captured Montagna telling Malone that he was paying the vice officer.

'Did you have any doubt that Malone knew you were paying off the cop?' Ciaffa asked.

'No, sir. I did not,' Montagna answered.

The witness later described Malone as Galardi's 'right-hand man.'

Outside the courtroom, Gentile acknowledged that some of the recordings played on Friday suggest that Malone knew Galardi was bribing a police officer.

'You need to be patient,' the lawyer told reporters. 'You need to wait for the examination of other witnesses, and it'll all come out in the end.'

Montagna's testimony is scheduled to resume Tuesday morning.

LOAD-DATE: May 16, 2005

INDEX 194

Copyright 2005 Journal Sentinel Inc.
Milwaukee Journal Sentinel (Wisconsin)

May 14, 2005 Saturday
Final Edition

SECTION: B News; Pg. 6

LENGTH: 458 words

HEADLINE: Marquette's not alone;
Nothing gold - or blue or inflatable - can stay

BYLINE: VIKKI ORTIZ, Staff, Milwaukee Journal Sentinel

BODY:

Take it back! We've had some practice in that around here, beginning long before Marquette University ever recalled its decision to go Gold. A few examples:

The Blue Shirt that never was: In 2001, Milwaukee County's Public Art Committee picked artist Dennis Oppenheim's "Blue Shirt" sculpture from 100 other proposals to decorate the new parking structure at Mitchell International Airport. Two years later, "Blue Shirt" got the boot: County Executive Scott Walker, who was not a fan, took advantage of a missed deadline to kill the project.

Au revoir to the awful Eiffel: In 1999, Bastille Days organizers unveiled a new inflatable Eiffel Tower. This one would be safer, they promised, and it wouldn't fall apart. But after only one year, they conceded that the switch was a bad idea. They brought back the old tower - with the help of some retooling by the Milwaukee School of Engineering.

"After we put up the inflatable Eiffel Tower, it obviously did not get a warm welcome," said Jean Woods, who was executive director of the East Town Association, at the time. "We knew that we had to do something."

'American Idol' do-over: Earlier this season, fans of the hit Fox TV show watched anxiously as 11 finalists vied for their chance at stardom. After the show, fans dutifully voted for their favorites - or at least they thought they did. As it turned out, the folks at "American Idol" screwed up the telephone numbers for voting. Fox was forced to re-air the program with the correct numbers, and viewers had to vote again.

Ronald Reagan High School: For a while last year, it seemed plausible. One New Berlin School Board official suggested naming one of the district's two high schools in Reagan's honor. A Muskego business owner sweetened the ante by offering $60,000 toward making the name change quickly. But a public outcry against the idea flooded board members, who eventually backed away from the plan.

Weddings with a hitch: Britney Spears spent two days married to childhood friend Jason Allen Alexander before asking a judge to undo the knot. Hotel heiress Nicky Hilton did the same with her two-month marriage to New York businessman Todd Meister. Pop singer-actress Brandy's ex-"husband," Robert Smith, said they were never married at all. And let's not forget Prince Charles and Camilla Parker Bowles, who had to take back their much-hyped wedding date in deference to the funeral of Pope John Paul II.

Spears had this explanation for her gaffe: "I do believe in the sanctity of marriage, I totally do. (But) I was in Vegas, and it took over."

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LOAD-DATE: May 14, 2005

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Copyright 2005 Post-Standard
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The Post-Standard (Syracuse, New York)

May 14, 2005 Saturday
FINAL EDITION

SECTION: NEWS; Pg. A4

LENGTH: 565 words

HEADLINE: IN A NEW YORK MINUTE

BODY:

Vegas firm targets casino for Buffalo's outer harbor

Seneca Indian leaders are talking with a Las Vegas company interested in putting a $350 million casino and entertainment complex on Buffalo's outer harbor, The Buffalo News reported.

The Senecas have a compact with the state that says they can build a casino in Erie County as long as they break ground by Dec. 9.

The Las Vegas company, Pinnacle Entertainment, told the Senecas it would build a complex with a 90-table gambling facility, 300-room hotel, six restaurants, a 12-screen movie theater and a live performance venue.

Pinnacle's interest in Buffalo was initiated by Erie County Executive Joel A. Giambra, who has played a behind-the-scenes role as facilitator, the News said.

But Mayor Anthony M. Masiello told the News he opposes the outer harbor proposal.

"A casino belongs downtown where it can support the hotel and entertainment infrastructure we already have in place," he said.

< "Help' for horses might have led to slaughter

An Ontario County woman promised horse owners she would give their aging and injured animals a safe home, but that "home" might be better described as a "slaughterhouse," county law enforcement officials say.

Naples resident Susan Leininger, 37, pleaded not guilty in Ontario County Court to a charge of scheming to defraud, the Rochester Democrat and Chronicle reported.

Authorities say Leininger convinced horse owners at the Finger Lakes Racetrack in Farmington that she'd find safe homes for aging or injured horses. But she actually sold the horses for profit. In some cases they were sold at an auction where they easily could have been purchased by slaughterhouses, officials said.

Leininger worked at the track as an emergency medical technician.

< Another county joins sex offender crackdown

Schenectady County has joined a growing list of local governments calling for tighter restrictions on sex offenders, the Albany Times Union reported.

The measure before the county Legislature calls for closer monitoring by police, a task force on notification and a lobbying effort for tougher state laws.

The Legislature also will consider monitoring registered sex offenders through a Global Positioning System, legislature Chairwoman Susan Savage said.

Savage said the plan calls for an additional probation officer to more aggressively track and monitor sex offenders. The cost for new personnel would run $10,000 for the rest of this year and $80,000 next year, she said.

Albany County passed a similar measure earlier this week and also is considering monitoring offenders with GPS, the Times Union said.

< Wal-Mart spurned as moratorium is upheld

A state Supreme Court judge upheld a building moratorium in Ballston that will keep Wal-Mart out of the town, at least for the time being, the Times Union reported.

The town board approved the moratorium in March but made it retroactive to Feb. 2, just before Wal-Mart applied for permits to build a store there.

The owners of the land on Route 50 sued the board, claiming the moratorium illegally targeted Wal-Mart, but Justice Thomas Nolan didn't buy it.

Frank and Rose Marie Rossi say they are undeterred and will keep fighting to have a Wal-Mart built on their property.

In a similar move, the town board in Rotterdam, where Wal-Mart is also planning a store, enacted a moratorium this week that blocks building applications for big-box stores for four months.

LOAD-DATE: May 17, 2005

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Copyright 2005 The Hearst Corporation
The Times Union (Albany, New York)

May 14, 2005 Saturday
3 EDITION

SECTION: SPORTS; Pg. C1

LENGTH: 641 words

HEADLINE: Blonde, savvy and strong

BYLINE: By MATT GRAVES Staff Writer

BODY:

ALBANY - Rachael Mayer isn't just another pretty face. She's also one of the strongest teenage girls in the world.

The 15-year-old Columbia High School sophomore, who spent most of her youth seeking perfection as a gymnast, ultimately realized that she was more comfortable under a barbell than the uneven bars.

Following a personal tour de force in the Amateur American Powerlifting Federation Nationals in Maine in April, the East Greenbush resident stands alone atop her 13-15 age division under 132 pounds in the bench press, dead lift, squat lift and combined total. All this in fewer than three years of competition.

"She's probably the fastest-gaining female athlete we've had - and consistent," said Mayer's coach and trainer, Dyke Naughton, who operates Cutting Edge Sport Sciences. "She has very balanced numbers. It's not like one good lift and then two weak lifts, which most of the girls in the past have had. Hers are good right across the board."

The 5-foot-4 Mayer recently surpassed even her own sanctioned numbers in each category with a 286-pound squat, 286 dead lift, and 142 bench press in a local meet that doesn't count toward her world-record figures. It does, however, give rise to hopes for even more records at the World Championships in Chicago at the end of July.

The story began when Mayer decided she needed a break from gymnastics after more than eight years of instruction and competition.

"I quit gymnastics when I was about 12, and I didn't have anything to do," Mayer said. "I decided to come here (Cutting Edge) and I got really, really into it. I just wanted something new, something different, something unique. That's exactly what this is. You don't see many girls doing this."

Naughton has been amazed by her rapid rise.

"I would say the biggest thing is her dedication to the sport and training," said the local fitness guru. "Probably eight years ago, we had a stable of girls like you wouldn't believe. We had five of the 10 girls on Team USA from our gym. If she (Mayer) stays with it, she's probably going to go the farthest of all the girls we've had."

Mayer said it's Naughton's commitment to her and the support of her parents that have combined to get her to this point.

"Dyke is just amazing," Mayer said. "When he goes to the meets with me, he makes sure that he's there for every second that I'm getting ready. He always makes me feel confident I can do it."

Mother Patty and father Richard attend every competition, and her older brother is one of Rachael's biggest fans.

"It's a lot of time, a lot of driving, a lot of waiting," Patty Mayer says. "But it's worth it. She's just naturally strong. It was pretty exciting when she won the gold medal in Chicago last year."

Rachael says powerlifting has brought her even closer to her mother.

"She's really supportive," Rachael said. "Without her I wouldn't be doing what I am. We've been to Vegas, Chicago. Obviously without them (parents) I wouldn't have the opportunity to do what I do. I'm really, really thankful to have parents like them."

Staying under the 132-pound limit for her division has at times been her toughest opponent, but she has always made the weight.

"Sometimes she'd get pretty cranky, so now we're eating healthier," her mother said. "Salads for lunch, better foods. She has to be careful with what she eats, but she's disciplined."

Patty Mayer says her daughter could also have been an accomplished figure skater had she stuck with it. Her blonde daughter, also a kickboxer, took advantage of her attractive appearance to take second runner-up slot in a "Got Milk" national modeling competition.

But for now, it's all about the powerlifting and new worlds to conquer.

"It's really cool to know you hold the records and nobody has lifted more than you," she said.

Matt Graves can be reached at 454-5456 or by e-mail at mgraves@timesunion.com.

GRAPHIC: Photo
LUANNE M. FERRIS/TIMES UNION RACHAEL MAYER, a 15-year-old from East Greenbush, holds world powerlifting records for her age group. ``You don't see many girls doing this," she said. LUANNE M. FERRIS/TIMES UNION DYKE NAUGHTON, Rachael Mayer's trainer and coach, thinks powerlifting could take Mayer far. LUANNE M. FERRIS/TIMES UNION RACHAEL MAYER, showing off her manicure, was second runner-up in a national ``Got Milk" modeling competition and is a former gymnast.

LOAD-DATE: May 16, 2005

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The Associated Press State & Local Wire

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May 13, 2005, Friday, BC cycle

SECTION: Entertainment News

LENGTH: 239 words

HEADLINE: Minister gets prison for extorting Celine Dion's husband in Vegas

DATELINE: LAS VEGAS

BODY:

A judge sentenced a California minister to prison Thursday for trying to extort millions of dollars from Celine Dion's husband.

Ae Ho Kwon, 52, was sentenced to a minimum of 28 months in prison for his conviction on charges of conspiracy, extortion and soliciting a bribe. He was not ordered to pay restitution.

Kwon, a Presbyterian minister from Pasadena, Calif., was convicted in March of devising an extortion plot targeting the singer's husband, Rene Angelil. Kwon's wife claimed Angelil raped her at a Las Vegas hotel in 2000.

Angelil paid the couple $2 million as part of a confidential settlement in 2000, but authorities said the couple demanded $13.5 million more two years later.

The couple eventually went public with their rape accusation, filing a police report and a civil lawsuit. Angelil, through his lawyers, has denied any wrongdoing.

Police investigated, but later closed the case without filing charges when the couple failed to hand over a dress reportedly containing Angelil's DNA.

Kwon's wife, Yun Kyeong Kwon Sung, was convicted last year and sentenced to a similar prison term of at least 28 months.

Kwon declined to formally address the court before sentencing.

Outside court, Kwon's lawyer Lisa Rasmussen said she plans to appeal on several grounds, including the judge's refusal to let her call Angelil to the witness stand to answer questions about the rape allegation.

GRAPHIC: AP Photo NVLAS201

LOAD-DATE: May 14, 2005

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Copyright 2005 Boston Herald Inc.
The Boston Herald

May 13, 2005 Friday
ALL EDITIONS

SECTION: FINANCE; Pg. 027

LENGTH: 207 words

HEADLINE: PERINI HITS $3B VEGAS JACKPOT

BYLINE: By JESSE NOYES

BODY:

What's built in Vegas stays in Vegas.

But sometimes the bucks are spread much further.

That's the case for Perini Corp., which just won a $3billion contract - the largest in the Framingham firm's history - to build a major portion of MGM Mirage's Project CityCenter.

The massive entertainment complex will be located in the heart of Las Vegas, housing hotels, restaurants and casinos.

Perini expects to break ground this June, and anticipates completing the project by the end of 2009.

``Once these things start, they go fast," said Robert Band, Perini's president and chief operating officer.

The project also means more jobs. On-site peak employment is expected to range between 7,000 to 8,000 jobs, according to Band. The jobs will be a mixture of contracting and craft positions.

But Bay State construction workers shouldn't start packing their bags. Most of the jobs will be drawn from the Las Vegas area.

``(The project) doesn't do any job creation in Massachusetts," Band said.

Perini is no stranger to Las Vegas or MGM.

The Framingham company was involved in construction of the high-end Paris Hotel in Vegas, as well as MGM Mirage's casino in Detroit.

But the planned 66-acre CityCenter complex is one of MGM's most prodigious projects to date.

LOAD-DATE: May 13, 2005

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Copyright 2005 Albuquerque Tribune
Albuquerque Tribune (New Mexico)

May 12, 2005 Thursday

SECTION: EVENING; Pg. C10

LENGTH: 310 words

HEADLINE: TV Queen for the Night

BYLINE: M.J. Wilde/tvqueen@abqtrib.com

BODY:

Joey, Joey, Joey. He's torn between two gorgeous women. Poor guy.

"Joey" (7 p.m., KOB-Channel 4) ends its first low-rated season with a one-hour episode that finds Mr. Tribbiani (Matt LeBlanc) in a pickle. Lover boy has been trying to stay true to his new girlfriend, Sara (Madchen Amick). And though it's been a struggle, he's been doing OK. So fine that he's seriously contemplating having Sara move in with him.

Of course, that's just the time his "buddy" Alex (Andrea Anders) realizes her attraction to Joey and tells him she wouldn't mind being more than just friends.

Great. Thanks. Like Joey isn't already naturally confused.

Also, his sister Gina (Drea de Matteo) confronts Joey's kooky agent Bobbie (the hilarious Jennifer Coolidge) about the woman's twisted attraction to Gina's son, Michael (Paulo Costanzo).

Well, we're heading toward the last episode of "ER" (9 p.m., KOB-Channel 4) in which Dr. Carter (Noah Wyle) will appear. Yes, he's leaving forever. But let's not get ahead of ourselves.

In tonight's touching episode, Carter travels to Paris nice for a reunion with ex-love Kem (Thandie Newton). Awkward? Well, no. The two find that time apart has only cemented their love.

Only on TV.

Oh, look. It's the season finale of "The Simple Life: Interns" (8 p.m., KASA-Channel 2). Good.

It's a day of strange cases for the folks at "CSI: Crime Scene Investigation" (8 p.m., KRQE News 13). Not that they haven't had strange cases before, but these are quite puzzling.

First, Grissom (William L. Petersen) and his team are called in when two college kids are found dead in a dorm room after what seemed to have been a night of passion. Trouble is, there seems to be no evidence of foul play. None.

Then there's the body discovered outside of Vegas. In a field. In the middle of a crop circle. With no evidence of footprints leading in or out.

Like I said. Strange.

GRAPHIC: PHOTO: Color You what? Alex (Andrea Anders) tells a confused Joey (Matt LeBlanc) she wants to be more than friends on the season finale of "Joey" tonight on NBC.

LOAD-DATE: May 12, 2005

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Copyright 2005 Albuquerque Journal
Albuquerque Journal (New Mexico)

May 12, 2005 Thursday

SECTION: FINAL; Pg. B1

LENGTH: 544 words

HEADLINE: Romero Eager To End Layoff

BYLINE: Mike Hall Associate Sports Editor

BODY:

Ex-Champ To Face Baba in 8-Rounder

A few weeks ago, Danny Romero Jr. said he wanted his comeback fight to be for an International Boxing Association championship.

The IBA is not the biggest of the boxing organizations, but, Romero reasoned, a title would be nice after a two-year layoff.

Instead, when he fights Alex Baba on Saturday night at the MGM Grand in Las Vegas, Nev., it will be only an eight-rounder.

"Of course it matters," Romero said from Colorado Springs before leaving for Las Vegas. "But I'm going in there like it's a championship fight, anyway. Anybody who gets in the ring with me is going to find out I'm coming hard. I'm prepared for it."

Romero has not fought since winning the IBA super bantamweight (122 pounds) title March 23, 2003, against Trinidad Mendoza at the Sandia Casino.

The two-time world champion (112-and 115-pound International Boxing Federation titles) has since lost the IBA crown through inactivity.

Romero, 30, has spent much of the past two years caring for his father and trainer, Danny Romero Sr., who is scheduled for a liver transplant just days after Saturday's bout. They have been living in Colorado Springs to be close to the University of Colorado Hospital in Denver, where Romero Sr. has been receiving treatment.

In Baba, Romero (44-5-1, 37 KOs) will be facing a 34-year old who has shown he can go the distance. Baba (21-7, 16 KOs) has gone 12 rounds in two of his last four fights, and 11 in a third that was stopped because of a cut over his right eye. The cut was incurred from an accidental head butt in the third round.

Baba, originally from Ghana and fighting out of Miami, has lost his last four bouts — two of those for minor titles.

Romero said he has seen no film of Baba.

"But I don't care," he said. "He's a strong, tough, durable guy who'll be right in front of me. My type of guy. They say they are big punchers, but when I hit them they never stand in front. They take off running. I'm used to seeing that. It takes them off their game plan."

ZAMORA UP FRIDAY: Socorro middleweight Joaquin Zamora (6-2-1, 5 KOs) will be fighting a middleweight bout Friday night at the Orleans Hotel & Casino in Las Vegas against Ishwar Amador (11-6-1, 7 KOs). Tickets are $25 and $35.

"He's a big, strong guy who usually fights at super middleweight," Zamora said Friday. "I'll just have to do what I have to do, box him."

Zamora is coming off a first-round TKO over Sergio Vela in March after losing by TKO to Elco Garcia in November.

This will be Zamora's third venture into Las Vegas.

"I love my state, but when you fight in Vegas you get that exposure," he said.

While Amador is the more experienced of the two, Zamora said that would not be a problem. "I had plenty of amateur experience," he said.

JARAMILLO RETIRES: Stephanie "Golden Girl" Jaramillo, who will turn 23 on May 18, has announced her retirement. Jaramillo goes out with a 4-2-1, 2 KO mark. She fought two thrilling matches against fellow Albuquerquean Holly Holm, losing a decision and gaining a draw. Jaramillo plans to stay in boxing as a promoter.

Boxing

Saturday: Danny Romero Jr. vs. Alex Baba, MGM Grand, Las Vegas, Nev. On the undercard of the Felix Trinidad-Winky Wright middleweight bout. Tickets: $150 to $1,000 at mgmgrand.com and ticketmaster.com

LOAD-DATE: May 12, 2005

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Copyright 2005 Albuquerque Journal
Albuquerque Journal (New Mexico)

May 12, 2005 Thursday

SECTION: FINAL; Pg. B1

LENGTH: 430 words

HEADLINE: UNM Has a Fan In Manager Of The Beavers

BYLINE: Greg Archuleta Journal Staff Writer

BODY:

* Portland's Craig Colbert is the son of the school's deputy AD

Portland baseball manager Craig Colbert is no stranger to the Albuquerque sports scene. Colbert, whose Beavers are in the midst of a four-game series with the Albuquerque Isotopes at Isotopes park, is a University of New Mexico fan.

"Oh yeah, no question about it," Colbert says. "I follow the Lobos every week in football."

While his Lobos love might seem surprising at first glance, his loyalty become more apparent when looking up a bit at his family tree.

The 40-year-old Colbert is the son of UNM deputy director of athletics Conrad Colbert.

Though their work schedules seem to conflict — Craig is busiest from February-September while Conrad does the school-year, August-May gig — they often run into each other because of their jobs.

Craig makes his offseason home in Las Vegas, Nev. That gives his father and mother, JoAnn, the opportunity to visit whenever the Lobos football or basketball teams are required to travel to Vegas — usually to play Mountain West Conference rival UNLV.

The Beavers' trip to Albuquerque is a bonus for the Colberts because the teams play only one series per year and the 'topes are the hosts this year.

"Most of the time, we don't get to see Craig during his season," Conrad says. "I think Craig likes it that way. I don't think he likes coming in with mommy and daddy."

Conrad Colbert, a diehard Chicago Cubs fan, took Craig and his brothers, Chris and Cary, to their first major-league game at Wrigley Field when Craig was 4 or 5 years old, Craig says.

Conrad was working at the University of Iowa at the time.

"Baseball was my favorite sport growing up," Craig says. "Obviously, being around athletics because of my dad all my life was a big influence."

Craig played baseball at Oral Roberts and signed to play for the San Francisco Giants organization. He spent 13 years in professional baseball, mostly in the minors, but he did play two seasons, 1992 and '93, with the parent club.

"My second year there was Barry Bonds' first year," Craig says. "He kept to himself so I didn't have a lot of conversations with him. But looking back, I can say in my mind I got to play with the best to ever play the game of baseball."

Craig is in his sixth season as a manager in the San Diego Padres organization, and in 2001 Baseball American named his Class A Lake Elsinor club minor league team of the year.

"The whole family's proud of him, and it isn't just because of what he's done in baseball," Conrad says. "He's a success, and I guarantee that anybody that's been around Craig respects him."

GRAPHIC: PHOTO BY:MARLA BROSE/JOURNAL PHOTO: b/w UNM deputy director of athletics Conrad Colbert, left, poses with his son, Beavers manager Craig Colbert.

LOAD-DATE: May 12, 2005

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Copyright 2005 Little Rock Newspapers, Inc.
Arkansas Democrat-Gazette (Little Rock)

May 12, 2005 Thursday

SECTION: SPORTS

LENGTH: 1637 words

HEADLINE: College Baseball Report

BYLINE: By Chris Cocoles

BODY:

Alabama tough on Arkansas

It might be a bit much to proclaim it "The Curse of the Bamabino", but nothing seems to go right on the field or the stands when Arkansas travels to Tuscaloosa, Ala.

Just ask Razorbacks Coach Dave Van Horn.

"There wasn't a very big crowd, but the ones that were there, you could hear everything they were saying,"

Van Horn said his team's last trip to Alabama two years ago. "They were young, and they got pretty personal with what they were saying."

Arkansas hasn't won a game in Tuscaloosa since 1995, including four sweeps since with one game in 1997 rained out. The losing streak is at 12 as Alabama fans graciously welcome Arkansas to Sewell-Thomas Stadium this weekend.

It'll take a good memory for Crimson Tide supporters to remember the last time they left the ballpark disappointed with the Razorbacks around.

Players have moved on and, in Arkansas' case, so have coaches. But the Crimson Tide keeps winning: Close games, blowouts, coming from behind, you name it.

"Whatever it is I hope it's still in the air," Crimson Tide Coach Jim Wells said.

Granted, in certain instances Alabama's dominance over the visiting Razorbacks makes sense.

Wells' 1997 and 1999 clubs were powerhouses and made deep runs at the College World Series. The Razorbacks endured some tough seasons in the era too, such as finishing sixth in the SEC West with a rare losing season overall under former Coach Norm DeBriyn.

Arkansas also went 0-for-Alabama during its 1999 conference championship season. The teams seemed evenly matched in 2003, finishing tied for fifth in the division, but the Tide's sweep was by a combined score of 30-7 when Arkansas was in the midst of a brutal road trip.

Van Horn's also been on the other side of a lopsided streak.

"I think about Oklahoma.

From the time I got to Nebraska, we dominated Oklahoma, and before I got there they never beat Oklahoma," he said. "We swept them my first year and they were ranked No. 9 in the country and we weren't any good. The next year we go down there and beat them two out of three. The next year we [sweep]."

Arkansas won last season's series over Alabama in Fayetteville.

Understandably, that's what concerns Wells most - not jinxes or historical evidence that the Razorbacks can't win there.

"I thought they were one of the toughest teams we played," Wells said of the 2004 Razorbacks. "Whatever it is, maybe it'll work for us, but I know Arkansas is a good club."

Alabama slammers Arkansas' last victory over Alabama in Tuscaloosa was May 6, 1995. The Razorbacks have lost 12 in a row there entering this weekend's series: MAY 7, 1995 Alabama 7, Arkansas 4 APRIL 25, 1997 Alabama 11, Arkansas 10 APRIL 26, 1997 Alabama 13, Arkansas 2 APRIL 23, 1999 Alabama 8, Arkansas 3 APRIL 24, 1999 Alabama 15, Arkansas 8 APRIL 25, 1999 Alabama 9, Arkansas 8 MAY 11, 2001 Alabama 11, Arkansas 6 MAY 12, 2001 Alabama 10, Arkansas 9 MAY 13, 2001 Alabama 8, Arkansas 6 APRIL 25, 2003 Alabama 10, Arkansas 2 APRIL 26, 2003 Alabama 6, Arkansas 3 APRIL 27, 2003 Alabama 14, Arkansas 2 Speed it up Arkansas' plan early in the season was to play a fast game, but that's in regards to stealing bases, not beating the clock.

Sunday's Alabama-Arkansas game falls into the dreaded curfew possibilities with the visiting Razorbacks needing to make their commercial flight home and creating a drop-dead period - 1:45 p.m. for the 11:02 a.m.

first pitch - for no new inning to start regardless of where it stands.

Making time more of a factor is having the game televised by CSS. The network agreed to adjust the start time slightly and cut its commercial breaks between half innings from 90 seconds to 60 seconds.

It's a kind gesture, but with both teams already either short on pitching or suffering from effectiveness issues, getting a Sunday game played in less than three hours when neither team has decided on a starter is asking a lot.

Both teams are sure to have plenty at stake as well. Alabama is battling LSU and Ole Miss for the SEC's Western Division title, and the Razorbacks are scrambling to qualify for the conference tournament and are trying to secure an NCAA Tournament berth.

Last Sunday's Arkansas-Florida game at Baum Stadium ended within the curfew-mandated time frame, but for a moment it looked like the game could result in a tie with both teams in need of victories and willing to play extra innings.

"How can you take this sport seriously when someone's got to catch a plane when the game's not finished?" Alabama Coach Jim Wells said. "But yet you're expected to win every game, and there's money piled into the program.

"I think it's wrong. That's the way it was done 20 years ago, but the league has changed and the emphasis on baseball has changed. There's got to be other flights getting out of there."

Comeback of year Less than one month after being diagnosed with testicular cancer, and three weeks removed from his surgery, California-Santa Barbara senior shortstop Chris Malec was doing the improbable.

The senior was playing baseball again.

Considering what he faced, the removal of a cancerous tumor and multiple chemotherapy treatments, Malec's quick return to the team was remarkable. More astonishing is how well he's swinging the bat. He hit a grand slam to help the Gauchos upset No. 11 Long Beach State last Saturday.

"It was a storybook type game," Gauchos Coach Bob Brontesma told the Orange County (Calif.) Register.

Malec, who turned to cycling champion and cancer survivor Lance Armstrong's book for inspiration, shares the team lead in hitting (.333) and has 5 home runs and 23 RBI in 36 starts.

He feels fortunate doctors detected his cancer relatively early.

"I had braced myself for the news," he told The Register.

"But already in the back of my mind I knew that this was beatable. ... Sure it was a huge, huge shock. But then I started researching it, so I knew everything about the cancer that I could."

Game off Arkansas' scheduled nonconference series next week against Texas-Pan American was canceled, Razorbacks Coach Dave Van Horn said Wednesday.

The teams' second game was already in jeopardy since Arkansas overscheduled by a game and has yet to lose one to bad weather. But the Broncs coaches were concerned about making the long road trip for a single game, so Arkansas agreed not to play.

Van Horn unsuccessfully attempted to fill the opening that will leave Arkansas one game short of the 56-game

maximum.

Van Horn said he called some regional Division I schools, but they either had no games under the limit or didn't want to play Arkansas for either the first time this season or add an extra meeting with the Razorbacks.

Division II opponents also were considered, but many have started their postseason already.

"We thought about it and tried to figure it out, but we're 24-1 out of league,"

Van Horn said. "We got our [nonconference] wins."

When the tie breaks At least for this weekend, Arkansas is pulling for Florida.

Vanderbilt, on the other hand, is strictly anti-Gators and rooting on a strange ally - instate rival Tennessee.

Welcome to the confusing world of SEC tie-breakers.

It's possible three teams fighting for the eighth and final spot in the SEC Tournament - Arkansas, Vanderbilt and Auburn - could end the season in a three-way tie. Because Auburn and Vanderbilt miss each other on the schedule, it takes away any head-to-head scenarios to determine the highest seed.

Next on the list is best winning percentage against the conference's No. 1 seed and downward if needed. The Razorbacks, Commodores and Tigers are all 11-13 in SEC play with two weekends remaining.

If the conference tournament started today, Vanderbilt would sneak into Hoover, Ala., despite being swept at Arkansas this season.

The reason? The Commodores took 2 of 3 from current SEC overall leader Tennessee. Both the Razorbacks and Tigers lost series to the Vols. But if Florida, a half-game out and currently the SEC's No.

2 seed, overtakes Tennessee and wins the overall SEC title at season's end, Arkansas wins a three-way tie among itself, Vanderbilt and Auburn if, of course, Florida wins its series against the Commodores in the final series.

If Vanderbilt wins 2 of 3, the next team in the standings would come into play. It could be Tennessee, but it could be Alabama or LSU, just to complicate the situation more.

It all makes tie-breakers and winning percentages moot because of the wackiness to the ever-changing SEC race.

BY THE NUMBERS

78 Home runs hit by Oklahoma State in 49 games. The Cowboys ranked third in the nation with 1.6 home runs per game entering the week.

OVERHEARD

"If you or I could predict that, we'd have a job in Vegas tomorrow. Every weekend you thought you had an idea of who you thought would win, and they don't win. It doesn't make sense."

- Tennessee Coach Rod Delmonico on handicapping the SEC race

SEC SERIES TO WATCH TENNESSEE AT LSU

Tennessee turned heads in the SEC with home sweep of South Carolina. Now the Vols get to play at Alex Box Stadium, still the rowdiest place in the SEC. Freshman All-America candidates J.P. Arencibia and Julio Borbon will be tested. LSU has won four consecutive SEC series and tied with Alabama for the lead in SEC West. LSU begins to make its move this time of year, and Tennessee will be hard-pressed to come away with a series victory.

SEC HONORS PITCHER OF THE WEEK

Freshman lefthander Nick Schmidt threw the first complete game of the season for Arkansas in a 4-1 victory over Florida. Schmidt scattered seven hits while improving to 7-1. He has allowed just four earned runs over his last 27 1/3 innings of work.

PLAYER OF THE WEEK

Freshman catcher J.P. Arencibia hit .462 to help Tennessee sweep South Carolina. He had 6 hits, 1 home run and five

RBI. His 12 th home run of the season broke Todd Helton's record for home runs by a Tennessee freshman.

This article was published 5/12/2005

LOAD-DATE: May 16, 2005

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Copyright 2005 Business Wire, Inc.
Business Wire

May 12, 2005 Thursday 9:17 PM GMT

DISTRIBUTION: Business Editors; Photo Editors; Wine Writers; Travel Editors

LENGTH: 517 words

HEADLINE: BV Unveils Largest Bottle of Georges de Latour Ever Made; Las Vegas Birthday Bottle to Tour the Country in Custom Bus

DATELINE: NAPA, Calif. May 12, 2005

BODY:

Historic Napa vintner Beaulieu Vineyard has commissioned the largest bottle ever made of the famed Georges de Latour Private Reserve Cabernet Sauvignon in honor of the Las Vegas Centennial. The 27-liter "ambassador" bottle will tour the country this May and June as part of the BV Vineyard to Vegas tour. At each stop on the tour, local dignitaries will be invited to sign the bottle and add birthday wishes.

The BV Big Bottle will travel to San Francisco, Los Angeles, Phoenix, Houston, Ft. Lauderdale, Washington, D.C., Philadelphia, New York City, Chicago and Atlanta on the BV Vineyard to Vegas tour bus, before arriving in Las Vegas on July 2, in time for the Las Vegas 100th Birthday Bash.

"This is the largest bottle of Georges de Latour that we've ever made," said Caddie Grenier, BV marketing manager. "We felt that a celebration like this deserved a bottle to match its magnitude. Creating a bottle like this is the perfect way to salute 100 years as the Entertainment Capital of the World."

Marking the Las Vegas Centennial with a bottle of "Georges" is a particularly appropriate salute. Each with a hundred years of history, the winery and the City of Dreams share many common dates of interest, but for both the year 1936 is of great significance.

First produced in 1936 and named for the founder, Beaulieu Vineyard Georges de Latour Private Reserve Cabernet Sauvignon is BV's signature wine and arguably California's first "Cult Cabernet." The 1936 vintage earned the Grand Sweepstakes Award at the Golden Gate International Exposition in San Francisco. This achievement illustrated the Napa Valley's potential to make world-class Cabernet and established BV as the leading winery in California. Meanwhile in Las Vegas, construction on the Hoover Dam was completed in 1936. Dam construction brought jobs, growth, city development, and major federal funds, facilitating the modern era of Las Vegas, as well as its establishment as the "Entertainment Capital of the World."

For more information about the BV Vineyard to Vegas Tour, and to view the BV Big Bottle, log on to www.BvinVegas.com. For more information about the Road to Vegas concert series, log on to www.roadtovegas100.com.

Beaulieu Vineyard wines are produced by Diageo Chateau & Estate Wines, which is part of Diageo, the world's leading premium drinks business. DC&E also produces and markets Sterling Vineyards, the wines of the Chalone group, Sterling Vintner's Collection, Solaris, and Blossom Hill, as well as the French wines of Barton & Guestier. DC&E is also a leading importer of classified Bordeaux in the U.S. and F.E. Trimbach wines from Alsace. A collection of Burgundy estate-bottled wines and several other fine European wines complement the selection. Diageo's broader business includes Smirnoff Vodkas and flavored malt beverages, Guinness, Bailey's Irish Cream, Crown Royal, and Captain Morgan Original Spiced Rum, as well as many other of the world's leading premium drinks brands. Please enjoy our quality responsibly.

CONTACT: Diageo Chateau & Estates Wines Philippa Jones, 707-299-2618 philippa.jones@diageo.com

URL: http://www.businesswire.com

GRAPHIC: The Largest Bottle of Georges de Latour Ever Made (Photo: Business Wire)

LOAD-DATE: May 13, 2005

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Copyright 2005 THE DALLAS MORNING NEWS
THE DALLAS MORNING NEWS

May 12, 2005 Thursday
SECOND EDITION

SECTION: SPORTS DAY; Pg. 10C

LENGTH: 376 words

HEADLINE: Pro-Am competitor strikes gold - twice Plano resident wins trip to Pebble Beach, chance to play alongside Woods

BYLINE: BRAD TOWNSEND, Staff Writer

DATELINE: IRVING

BODY:

IRVING - As Don Hanratty stepped to the No. 1 tee on the Cottonwood Valley course shortly after 7 a.m. Wednesday, the starter introduced him as "the luckiest man in Dallas."

Doubly lucky. Some would call him lucky-squared.

There he was Monday night at the Adam's Mark hotel for the EDS Byron Nelson Championship Gold Pro-Am draw.

First came the grand prize drawing - two plane tickets for a trip to Pebble Beach and spending cash. Hanratty heard his name called, rushed up to the podium, got his "bag of goodies" and kissed the American Airlines flight attendant who handed him the tickets.

Hanratty returned to his table, No. 89, and waited with his friends for the pro-am draw.

"Within a minute [I hear], 'Table No. 89,'" he said.

Hanratty and his playing partners had earned the No. 1 pick in the pro-am draft, as determined by a new random-number generator designed by Microsoft Corp.

In other words, Hanratty had won the right to play with Tiger Woods, which is exactly what the 56-year-old Plano resident did Wednesday.

Team Woods finished 13 under, eight shots behind the winning team led by pro Arron Oberholser.

"So where do you go next?" joked Hanratty after walking off Cottonwood Valley's 18th green wearing a cap autographed by Woods, forevermore blessed with one of the all-time bar room tales.

"Tiger was a gentleman," Hanratty said. "Helped us with our putts, asked about our families."

Hanratty had played in several Monday Nelson pro-ams, but never the Gold.

The only reason he got to play Wednesday was that Joe Haggar donated a gold spot to Ursuline Academy. Hanratty, who had two daughters go through Ursuline, bid $6,000 at an Ursuline charity auction.

Never did he imagine he'd get two grand prizes.

"People came up [at the draw] and said, 'We're going to Vegas and you're coming with us. What's your lucky number?'" he said.

That night, Hanratty phoned his wife, Jane, and told her to get a glass of wine. He broke the news about the Pebble Beach trip, then asked her to sit down.

"I'm playing with Tiger Woods," Hanratty said.

With his run of luck, one might think Hanratty would make a hole in one Wednesday. Alas, no. But he did make a 12-foot birdie putt on No. 4. Woods read it for him and told him where to hit it.

E-mail btownsend@dallasnews.com

GRAPHIC: PHOTO(S): (IRWIN THOMPSON/Staff Photographer) Tiger Woods (right) and caddie Steve Williams (left) watch Don Hanratty hit a drive during the Nelson's Gold Pro-Am.

LOAD-DATE: May 12, 2005

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Copyright 2005 EXPRESS NEWSPAPERS
The Express

May 12, 2005

SECTION: U.K. 1st Edition; NEWS; Pg. , 27

LENGTH: 1526 words

HEADLINE: THE QUICKIE WEDDING THAT COULD FINALLY VANQUISH BRIDGET JONES'S HANG-UPS FOR EVER

BYLINE: by Katie Fraser

BODY:

ON MONDAY, the tiny island of St John, part of the British Virgin Islands, was home to an A-list celebrity wedding. But, unusually, there was no pomp and circumstance, no film crews, limousines or media circus - just the sound of the waves lapping gently against the shore, the sea breeze whispering through the palm trees and the scent of tropical flowers in the air.

The only people there were the bride and groom, actress Renee Zellweger, 36, and country and western singer Kenny Chesney, 37, and a select gathering of their close friends and family.

He wore beige linen trousers, an open-necked white shirt and a cowboy hat; she chose a simple cream satin dress designed by her favourite couturier, Carolina Herrera. Her hair was blonde, her make-up minimal and her expression joyful.

They looked every bit the magical couple.

It was a moment straight out of Bridget Jones:

the unlucky-in-love heroine finally being swept off her feet by a handsome, eligible, successful, wealthy bachelor. And for Zellweger, the actress who immortalised the neurotic chardonnayswilling, Silk Cut-puffing singleton on film, there could surely be no more fitting denouement to her real-life love story.

But delve a little deeper into the fairytale scenario and there is just the tiniest suggestion of a snag, a niggling feeling, if you like, that the utter perfection of the whole thing might not be quite what it seems.

For this is not the culmination of a long, drawnout love affair between a couple who have a shared history, shared memories and a love that has triumphed over the the famed fickleness of Hollywood. Zellweger and Chesney have known one another for only a few months and been an item for, it is thought, as little as two.

The wedding has come like the proverbial bolt out of the blue - even to those who know Zellweger intimately. Most people had no idea she was even seeing anyone, far less that she had met her prospective partner-for-life.

Indeed, up until the beginning of the year, she hadn't. Then fate - in the form of The Concert Of Hope tsunami benefit in Los Angeles in January - intervened. It was there that Chesney, one of the musical acts, asked to be introduced to Zellweger backstage (she was one of many celebrities on hand to answer calls from donors).

The moment was something the handsome singer had no doubt dreamt about for years, having made no secret of his admiration for the actress in the past. (He'd told journalists he thought she was "gorgeous", even going so far as to write a song, You Had Me At Hello, dedicated to one of her earlier onscreen love clinches.) From there on, their affair was conducted almost entirely in secret. Other than snatched reports of Zellweger making appearances at Chesney's gigs (and, it transpires, visiting him afterwards on his tour bus), the first public hint that the pair were a couple came on April 29 when she indulged in a romantic joke and got up on stage in Jacksonville, Florida, to deliver him a margarita. They were engaged soon after and married two weeks later.

A whirlwind romance of hurricanelike intensity, but, one wonders, all a little too sudden? Is this the stuff romantic novels are made of, or the somewhat rash impulsiveness of a woman who, aged 36, is desperate to settle down?

Cynics would probably plump for the latter. A cursory look at Zellweger's relationship CV would seem to confirm that prior to meeting Chesney she had got stuck in the dreaded Bridget Jones' rut: over 30, hungry for commitment, fed up with playing the dating game, despairing of ever meeting the right man.

Over the years she has become adept at artfully deflecting journalists' questions away from the central issues of The Boyfriend, Marriage or Children, trotting out nice, neat phrases about wanting to keep something precious, sacred or, more blatantly, issuing flatout advance warnings that interviewers are not, under any circumstances, to ask about her love life.

BUT SOME things she hasn't been able to keep under wraps.

There was the relationship with actor Jim Carrey, whom she met on the set of Me, Myself And Irene and dated for a year - with rumours the pair had even become engaged - before splitting up in 2000. More recently came the onoff two-year union with Jack White of American rock band The White Stripes.

The latter break-up last year was followed by a splurge of press attention focusing on her depressed countenance and worryingly slender silhouette.

Her friends expressed anxiety over her mental and physical health; Jack's claimed she was a demanding, childlike character whose jealousy over his rock 'n' roll lifestyle and unreciprocated desire to settle down and start a family caused the split (respective publicity machines claimed the split was mutual).

Just to confuse matters further, in February this year it was reported that Zellweger had been on a string of dates with Irish singer Damian Rice.

It hardly makes for the ideal emotional backdrop against which to embark on a whirlwind wedding and, according to an LA-based source, the actress had seemed in recent years to become disillusioned with the relationship game.

"The word in Hollywood was that she wanted to settle down and have a family. Over the past year or so that seems to have changed. She'd been saying stuff like she didn't need a man to make her happy. That's why everyone is so surprised about the marriage.

Before the events of this week, the impression she gave was of someone who knew they had missed the boat on the relationship front."

Indeed, looking at interviews past, it becomes clear that Renee's attitude towards love and having a family has undergone a subtle shift over the years.

"Biologically, I look forward to being a cornerstone of a family. I'll be in my glory when I have a child on my knee, " she said in an earlier interview.

Fast forward to earlier this year and it is immediately apparent that there has been a change in her priorities:

"Life's not about pining away for some guy, about finding a guy and sealing the deal that's going to make you happy.

Sure, a long-lasting relationship is a lovely thing - I've seen it with my parents - but I don't think it's a prerequisite for happiness."

HAVING seen the reality of true romance at first hand - her Swiss-born father Emil and Norwegian mother Kjellfrid met on a boat trip to Denmark and have been happily married for 41 years - it is understandable that Zellweger should carry within her the desire to fall madly in love in typical Hollywood tearjerker fashion.

"Basically, I consider myself an incurable romantic, " she says. "I can never really be down on love as a concept... I believe it has its own destiny and that you can't really go out looking for it." She is an idealist, certainly, but her idealism is tempered with a generous measure of practicality. Professionally, she has always displayed admirable caution and care when choosing her film roles, declining any offer of a role that might threaten to pigeonhole her in any way.

Thus she has been a sweet single mum with spirit in Jerry Maguire, a career-obsessed daughter in One True Thing and a delusional soap opera fan in Nurse Betty. And it is no surprise that she has been nominated for three Oscars, won one (for Cold Mountain), and brought in something approaching $700million at the box office. Certainly, you don't attain

success like that by making ill thought out hasty judgments.

This sort of caution extends to her personal life, too. There is nothing in Renee's persona, according to those who know, to suggest that this sudden shock wedding is in any way a rash or desperate act.

She is, by her own admission, the type of person to whom friends turn for practical advice. Journalists who have interviewed her describe her as "not the sort to compromise, on screen or off", "self-sufficient" and "a more thoughtful individual than her kooky image might lead you to expect".

Those closest to her describe her in a similar way.

"She always tries to be measured and controlled in whatever she does, " one friend says. "But she is, like most of us, capable of acts of random passion.

"She has looked for certain things in a man for a long time and finally it seems she has found what she was looking for.

Kenny is from the South, like her, and so shares certain Southern sensibilities that obviously appeal. She is ready for someone who is ready for her.

"I am sure that if she has chosen to enter into this thing, she has done so with every piece of her heart."

Her heart, certainly, but also her head - for Zellweger is not a woman given over easily to flights of fancy. She is no Britney Spears deciding to get married in Vegas on a whim.

"I guess that deep down I'm a Texas girl looking for that big romance every girl dreams about, " she says. "Maybe that's naive but I think you have to be willing to wait for that, even if it means being lonely sometimes."

Love, like all good things, comes to those who wait and it looks as if - for the moment at least - Renee's patience has finally paid off.

LOAD-DATE: May 12, 2005

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- Copyright 2005 DR Partners d/b Las Vegas Review-Journal
Las Vegas Review-Journal (Nevada)

May 12, 2005 Thursday FINAL EDITION

SECTION: AA; Pg. 25AA

LENGTH: 329 words

HEADLINE: Wild ride on Buck began love affair with city

BYLINE: Dave Berns

BODY:

Buck. It's the stout name of a horse Anne Kaiser never has forgotten.
It was May 1947. Anne was a newlywed enjoying her Las Vegas honeymoon. She and her husband, Harry, were staying at the 6-year-old El Rancho Vegas when they walked to the hotel's stables.

Young Anne grew up in New York City and rode horses through Central Park, so she was feeling pretty confident until she heard the name of that black and gray stallion. Buck.

The El Rancho Vegas, not Bugsy's Flamingo, was the first of the new generation of hotel-casinos along the old Los Angeles Highway. With its Western motif, the property helped transform the city's image from dusty railroad town and mining stop to Old West getaway.

The Kaisers sauntered back to the stables. There was nothing but desert and railroad tracks behind the El Rancho, which sat across from the site of today's Sahara hotel-casino. Harry hopped on his horse. Anne rode Buck. She had wanted to come to the young desert city for her honeymoon. There was something about Vegas, a tug that brought them here. They never left.

Harry later held maintenance and engineering jobs at the El Rancho and Flamingo. Anne swears that her husband, who died in 1991, helped Howard Hughes during his mania-filled Vegas years. Harry was Hughes' taste tester, checking for feared poisons in the billionaire's food. He'd wipe the doorknobs in Hughes' suite, the better to chase away the germs.

As Anne and Harry rode their horses on that May day in 1947, all was calm. There was no Sahara Avenue, no afternoon rush hour. But there were nearby railroad tracks.

As some lengthy freight train blew its whistle while passing through town, Buck showed how he had earned his name. He kicked. He whinnied. He leaped. Anne held on tight. 'I prayed my Hail Marys,' she says.

She rode that horse, and when the Kaisers returned to the barn, a stable hand chuckled. He didn't expect the woman with the New York accent to stay atop ol' Buck.

LOAD-DATE: May 13, 2005

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Copyright 2005 DR Partners d/b Las Vegas Review-Journal
Las Vegas Review-Journal (Nevada)

May 12, 2005 Thursday FINAL EDITION

SECTION: AA; Pg. 28AA

LENGTH: 375 words

HEADLINE: Recalling Old Vegas glamour

BYLINE: Dave Berns

BODY:

He has that Everyman demeanor. You can hear it in his New York accent, see it in his wardrobe, replete with white pullover shirts and casual slacks.

Sam Mandell was a maitre d' at the Strip's classic hotels: the Thunderbird, the Riviera, the New Frontier, the Flamingo, the Tropicana. He worked the room when men wore jackets and ties, women were wrapped in minks and pearls. Everything came to life at 2 a.m.

'That's what Vegas was all about,' Mandell remembers. 'Vegas was as elegant as could be.'

You could hear Louis Prima, Shecky Greene, the Mary Kaye Trio. The shows were free. But it didn't hurt to slip Mandell or one of his co-workers $10 or $20.

'We took care of everybody, no matter what they gave us,' Mandell said. 'The main thing was you wanted to bring everybody back.'

He's 75 now, living in an exclusive neighborhood not far from Wayne Newton's home. The guy's a storyteller and collector of old black-and-white photos.

There are photos of his wife, Beth Miller, a stunning blond actress who appeared onstage and in TV shows and films with Red Skelton, Milton Berle and Jackie Gleason. There are pictures of Mandell with Pearl Bailey and Ann-Margret. In another shot, he's the good-looking guy in his 30s, a John Garfield type, who brought out a bouquet of flowers for Judy Garland at the close of a performance.

Mandell remembers one night, must've been in the late 1950s. Howard Hughes wanted to watch a show at the Riviera. He bought the 250 or so seats immediately surrounding the Riv's showroom stage.

Hughes walked in wearing dirty sneakers with no socks, white slacks and a dirty T-shirt. He needed a shave.

The troubled billionaire sat amid rows of emptiness, hundreds of others sitting behind him, irritated at Hughes' greed.

Mandell sounds like so many Las Vegas old-timers when he looks at today's Strip. He sees a corporatized world of bottom-line-driven managers and Tommy Bahama-wearing tourists who espouse none of the glamour that drove Old Vegas. Then again, he admits, this city isn't alone. Just pop on MTV or take in the latest Hollywood flick for proof.

'The whole world is changing. The whole culture's changing,' Mandell says matter-of-factly without a hint of remorse.

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Los Angeles Times

May 12, 2005 Thursday
Home Edition

SECTION: CALENDAR WEEKEND; Calendar Desk; Part E; Pg. 4

LENGTH: 1209 words

HEADLINE: UP FRONT: NIGHT LIFE;
Party on, Sin City;
A slammin' club is now a must for Vegas hotels, with sites out to beat each other.

BYLINE: Steve Baltin, Special to The Times

BODY:

It's a Saturday night in Las Vegas, and while "Desperate Housewives' " Eva Longoria hosts a cavalcade of stars at the grand opening of the Pussycat Dolls Lounge inside Caesars Palace, clubgoers are lined up hundreds deep to get into Caesars' other new hot spot, Pure.

It's the same scene outside of Light at Bellagio, Body English at the Hard Rock, Ra at the Luxor and Rain at the Palms. As Saturday night turns into Sunday morning, Ice Las Vegas, a bastion for top international DJ talent that is trying to prove a club can succeed in Vegas without the built-in traffic or backing of a hotel-casino, will face its own line of eager clubgoers.

Once inside the club of their choice, twenty-and thirtysomethings dance the night away, some paying $300 and more per bottle for the right to sit at a bottle-service table and be a player for a night.

Yes, Vegas is still the place to go for people who want to party. But where once the top-drawer clubs could be counted on one hand — Utopia, the Drink and Club Rio in the early '90s, or Shark Club just prior to that — today's Vegas nightclub scene continues to boom.

It's a place where the new kid on the block is granted immediate hot spot status until proved otherwise, and recently opened venues such as Pure and the Wynn Las Vegas' La Bete are proving to be the top contenders to already established commodities such as Body English, Light and, to a lesser degree, Rain and Ra.

Extravagance comes at a cost, of course — Body English came with a $7-million price tag, and Pure cost twice that. Although no figure was quoted for La Bete, insiders agree that it took at least $15 million to compete.

A top-of-the-line nightclub has become a requirement for the Vegas hotel, as evidenced by Wynn's new digs. Among the prized jewels of the $2.7-billion hotel is La Bete (the Beast), a lush, fuchsia-and-gold club that calls to mind the elegance of European supper clubs.

La Bete's most extraordinary feature might be the collapsible glass doors leading to an outdoor patio with tables, speakers so the music from inside keeps the party going, a lighted statue in the center of a pond, and an illuminated waterfall.

Such design flourishes are magnets for the glamorous. At the Pussycat Dolls Lounge opening in April, such stars as Mary J. Blige, Busta Rhymes, Eliza Dushku, Andre Agassi and Steffi Graf joined the fun. Even more turned out to party at Body English to celebrate the Hard Rock Hotel's 10th anniversary two weeks ago. And last weekend, Blige and the Wallflowers performed at La Bete's star-studded VIP opening, which drew the likes of Quincy Jones, Stephen Stills and actors James Van Der Beek and Claire Forlani.

Elizabeth Blau, Wynn's executive vice president of restaurant marketing, says it was an absolute given the hotel would

have a top-notch club. "We can look around and see what happened in Las Vegas," she explains. "It's part of the stock of what a great Las Vegas hotel has, like having a spa and like having a phenomenal show and great restaurants."

Light opened up at the Bellagio three years ago, and by 12:30 or 1 a.m., prime partying time, the club is still packed. But Andy Masi, managing partner of the Light Group, is already looking ahead to the company's next venture, which will open in the Mirage in December.

"We have to beat ourselves," Masi says, seated in the sports book of the Bellagio. Next door, a line of people waits to go up the escalator into the red hallway that serves as the entrance to Light.

"When we came to Las Vegas there was no bottle service. So we came in, we kind of started this whole change-of-scene direction for nightclubs," Masi says. "Now with Mirage we're going to have some pretty things to take it one step forward. It's got three separate rooms; it's 18,000 square feet, and it'll have three different styles of music."

Caesars' Pure has multiple rooms — as does Ice, one of the city's most successful free-standing clubs. The Vegas equivalent of L.A.'s supper clubs, Ice is the No. 1 destination for top DJs from around the world, with Deep Dish, Roger Sanchez and Erick Morillo among the A-list talent to perform there recently.

According to Neil Moffitt of Godskitchen, the promotions giant that books the Saturday talent at Ice, the club holds a unique place in the Vegas market. "We're very much extracted from the marketplace. They are far more competitive with each other now," Moffitt says of the hotel clubs. "We're in a very fortunate position that the casinos know exactly what they want, which is middle-class white American music. That's why you see them all fighting for the same hip-hop market; everybody gyrates to hip-hop. If you stand back you might look over and see a 60-year-old woman boogalooing to hip-hop — that's why the casinos love it and why they all continue to grow in that market."

Where that market will end is anybody's guess. Lorenzo Doumani, a veteran of the Vegas scene who used to own the Golden Nugget and Tropicana and is opening a new hotel, the Majestic, in early 2007, predicts the market will eventually be oversaturated. Brent Bolthouse, the Los Angeles promoter who is a partner in Body English, and Masi both agree.

However, they say don't expect the fertile market to dry up anytime soon.

"At the end of the day, every hot place will be in Vegas within the next three years," says Doumani, whose Majestic club, Heaven (which he describes as a cross between Skybar and Moroccan in feel), is already in the works. "If you can find it in Miami, New York, L.A., you'll be able to find it in Vegas within the next few years. Everybody wants to have a place in Vegas."

Steve Baltin can be reached at weekend@latimes.com.

*

The clubs, in spades

Light at the Bellagio

Info: Las Vegas Boulevard at Harmon Road. (702) 693-8300. 10 p.m.-4 a.m. Thursday through Sunday. Cover varies.

The scoop: Still packs in an upscale crowd, with the line beginning before 10. It's worth the wait, though. The venue, with no VIP area, features tables and booths right out on the dance floor and has a warmer, more festive atmosphere than many of its peers.

*

Ice Las Vegas

Info: 200 E. Harmon Road. (702) 699-9888. 10:30 p.m.-5 a.m. Friday and Saturday. Cover varies.

The scoop: Offers big-name DJs and high energy. Takes its name from the liquid nitrogen fog machine that occasionally envelops dancers in a cloud of cool.

Pure at Caesars Palace

Info: 3570 Las Vegas Blvd. S. (702) 731-7110. 10:30 p.m.-4 a.m. Friday through Tuesday. Cover varies.

The scoop: New kid on the block (until La Bete opened), Pure has attracted mega-lines to check out its three rooms

(all done in white), people watch and dance to Top 40 and hip-hop.

*

Body English

at the Hard Rock

Info: 4455 Paradise Road. (702) 693-4000. 10:30 p.m.-4 a.m. Friday through Sunday. Cover varies.

The scoop: Bordering on a veteran at 1 year old, Body English reached elite status thanks to the hip crowd of the Hard Rock, a high celebrity quotient and an elegant motif.

*

La Bete at Wynn Las Vegas

Info: 3231 Las Vegas Blvd. S. (702) 770-7100. 10 p.m.-4 a.m. Thursday through Sunday. $25.

The scoop: Newest hot spot blends opulence (the specialty drink is a champagne cocktail with gold flakes and fine chocolates) and the sounds of a Vegas club, including Top 40 and hip-hop.

— Steve Baltin

GRAPHIC: PHOTO: SEXY BEAST: Wynn Las Vegas' La Bete nightclub boasts a lighted statue in the center of a pond and an illuminated waterfall. PHOTOGRAPHER: Photographs by Lawrence K. Ho Los Angeles Times PHOTO: JAMMIN': Light opened at the Bellagio three years ago and still packs in the crowds. The Light Group is already planning the next venture, which will open in the Mirage in December. PHOTOGRAPHER: Lawrence K. Ho Los Angeles Times PHOTO: EXTRAVAGANCE: Caesars' new hot spot, Pure, reportedly cost about $14 million to put together. PHOTOGRAPHER: Lawrence K. Ho Los Angeles Times

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SHOW: SCARBOROUGH COUNTRY 10:00 PM EST

May 12, 2005 Thursday

TRANSCRIPT: 051201cb.471

SECTION: NEWS; International

LENGTH: 7413 words

HEADLINE: SCARBOROUGH COUNTRY For May 12, 2005

BYLINE: Jennifer London, Jennifer Bjorklund, Joe Scarborough

GUESTS: Bob Dole, Wendy Heath, Steve Clark, Stacey Honowitz, Steven Greenberg, Andrea Peyser, Rod Bernsen, Steve Adubato

HIGHLIGHT:

Another high-speed chase through crowded streets in Los Angeles ends in a shooting death. Newly released documents reveal an incredible web of lies spun by the so-called runaway bride. Will new information that prosecutors want to bring into evidence in the Jackson molestation trial have his attorneys sweating? What could LaToya Jackson say that might land her brother Michael behind bars?

BODY:

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: He is running. He is running. (INAUDIBLE) He has got a gun. He has pulled the weapon. They are shooting him.

(END VIDEO CLIP)

JOE SCARBOROUGH, HOST: Tonight's top headline, gun fights in the City of Angels, as a car chase ends in grisly death. And a deadly highway shooting shows no sign of letting up. Is Los Angeles becoming the new wild, wild west?

Welcome to SCARBOROUGH COUNTRY, no passport required and only common sense allowed.

Another high-speed chase through crowded streets ending in a shooting death, all on live television, just the latest gunfire in Los Angeles. Are we all watching a city almost out of control?

Then, the runaway bride. Newly released documents reveal an incredible, an incredible web of lies that she spun. And how those lies she told could get her prosecuted, that's going to be tonight's SCARBOROUGH COUNTRY showdown.

Plus, after Macaulay Culkin took the stand, things looked pretty good for Michael Jackson. But now desperate prosecutors want to bring in new evidence from an old case to try to turn things back in their direction. Is this the information that could have Michael Jackson and his legal team sweating?

Plus, we will tell you what LaToya Jackson said that could land her brother Michael behind bars.

ANNOUNCER: From the press room, to the courtroom, to the halls of Congress, Joe Scarborough has seen it all.

Welcome to SCARBOROUGH COUNTRY.

SCARBOROUGH: Hey, good evening and welcome to the show.

It's the high-speed chase that everybody is talking about tonight. Now, last night, a man in a stolen car led police on a 50-minute race through the streets of Southern California, as television choppers followed every mile of it live on the air. When it ended, the suspect pulled a gun and was shot dead by police in a parking lot.

We are not going to show you that, but viewers in California watched the entire graphic scene play out live on their TV sets.

Here with more on the chase, the shooting, and the aftermath is KNBC's Jennifer Bjorklund.

Jennifer, what's the very latest in California?

JENNIFER BJORKLUND, KNBC REPORTER: Well, we are standing here in the parking lot, where this pursuit came to an end.

You can see right here the windows boarded up at El Pollo Loco. There are some schoolchildren in this parking lot. There's a storefront school here that also has bullet holes through it. We are told that there were about 10 customers in El Pollo Loco when this pursuit came to an end. Police pulled their guns out after they saw the suspect jump out of the car. He was a suspected car thief who apparently had stolen a car sometime on Monday in a home invasion robbery. That's the information we have.

The pursuit went through four or five communities in the Long Beach area. It was about 40 minutes long, reaching speeds of 100 miles an hour. The car crashed once and continued, pulled into El Pollo Loco parking lot here. The suspect had a gun in his hand. Officers fired at him when he jumped out of the car. Then we are told the suspect reached into his pocket and officers fired again.

Long Beach Police say another handgun was recovered from that man's pocket. One bullet went into El Pollo Loco. Again, about 10 people were inside there waiting for their food, having dinner. Witnesses say everybody hit the floor. During this pursuit, a man and a child were nearly run over when the car jumped up onto a curb. And also, during the pursuit, officers along the way had spotted a gun inside the car. They knew that the suspect was armed.

They had radioed that out, so they knew what they were faced with when this pursuit finally did come to an end. And, in fact, when the suspect jumped out of the car, you heard it from the chopper reporter there saying, the suspect has a gun. Officers fired at him. He was transported to a hospital where he was pronounced dead. Right now, they still have not released the suspect's name. They say they are making notifications of next of kin, and they are going to get the name to us, again.

But we don't know very much about him, other than the fact that police say he was a suspected car thief — back to you.

SCARBOROUGH: Jennifer, you have covered a lot of these, obviously, in Southern California. What is it about the Los Angeles area? We don't see this happening around New York. We don't see it in Chicago, Atlanta, other major metropolitan cities. But, for some reason, in Los Angeles, ever since we saw O.J. Simpson slowly move away, going down the highway, it seems like this happens all the time in L.A. Why?

BJORKLUND: It does.

You know, I have been covering L.A. for eight years. I got to tell you, you are not the only one that thinks it's wild. You see on the front of "The Long Beach Press-Telegram" here, "Wild in the Streets" is the headline. They have little excerpts from the end of the pursuit.

Yesterday, I can tell you, was just about one of the very first warm days that we have had in the L.A. area. Things seem to heat up when the weather heats up. This is a car culture. We are connected by our freeways here. Everybody is in their car most of the day, it seems like, so maybe that has something to do with it, but why? Don't have that answer for you.

SCARBOROUGH: Is there a — is there a sense of people living in the Los Angeles area, as you do, that things are getting out of control in L.A., not just in this car chase or the other car chases? But, it seems over the past several weeks, L.A. has been in the news day after day after day because of something else bizarre happening.

BJORKLUND: Well, you do kind of tend to get used to it after a while. It seems like the news — the news is always

very interesting out here.

What I can tell you is, in — in the last few weeks, we have had more than our fair share, I think, of — of shootings that have made national headlines, that issue of contagious gunfire that the L.A. County Sheriff's Department was facing, with those 10 deputies that were shooting an estimated 120 rounds at a car just the other night, that one caught on tape.

It seems like, I think, there are so many cameras everywhere. Maybe that's what makes it more prevalent in the news, makes it more likely that people are going to be talking about it the next day, because they actually got to see it.

SCARBOROUGH: All right, Jennifer Bjorklund, thank you so much for being with us and the report. We greatly appreciate it.

BJORKLUND: Sure thing.

SCARBOROUGH: So, the question is, has L.A. become the new wild, wild west? You have got road rage. You have got drive-by shootings on the freeway, and now another violent car chase.

Here to talk about that and whether or not TV should be airing this madness on live TV are Rod Bernsen. He's formerly of the LAPD. And, also, we have Steve Adubato. He's a media analyst and author of "Speak From the Heart."

Let's start with you, Steve.

What do you think about — obviously, you are in the media. You know, in Los Angeles, they run all of these — or a lot of these chases live. And, of course, last night, because they ran them live, you actually had Los Angeles residents seeing a man shot to death by police officers. What do you think the policy should be?

STEVE ADUBATO, MEDIA ANALYST: Well, just put it in perspective, Joe. You are talking 5:30 p.m. I have three small boys, and I am thinking to myself, I cannot imagine my boys, my kids, or anyone's kids seeing this video.

If I am not mistaken — I could be wrong, Joe — there was no delay here on the part of the local TV news organizations who ran the video. And I also read Rod's piece. And, as I understand the article that he wrote, I think he is upset that there wasn't enough of a close-up of the shot. He believes that you should actually see everything graphically.

I have to tell you, there must be a place for good taste; there must be a place for being responsible. Yes, the public has a right to know, but exactly what do they have a right to know and when do they have a right to know it? Not as it happens, because, that's about ratings. That's not about journalism.

ROD BERNSEN, FORMER LAPD SERGEANT: Joe, let's put this in perspective.

SCARBOROUGH: Rod, let me ask — yes, Rod, I will ask you the same thing. Obviously, you are a former member of the LAPD. Why do you think it's important that we do show this, these type of tapes, and that these stations show them live?

BERNSEN: Well, more importantly, Joe, for the last 12 years, ending last year, I was a reporter here in Los Angeles for a major television news station. And I covered dozens, if not hundreds of these pursuits.

Now, Steve is a media person. He said that he would be upset if his children at 5:30 in the afternoon had saw this live. Well, as a parent, I would have to agree with him. But what about a picture like this on the front page of "The Los Angeles Times"? To me, what this represents is what journalism is all about. It's a graphic picture, two Iraqis, one of them dead, both covered in blood-stained clothing.

As journalists, we are responsible for telling the story.

ADUBATO: Joe, Joe, time out.

BERNSEN: Now, I am not — now, I am not saying that there should be a tight close-up as the bullets impact on the suspect. However, I am saying that, as reporters, we have an obligation to show what is going on. For instance...

ADUBATO: Joe.

BERNSEN: Can anybody tell me how many officers fired and how many times they fired? We don't know that.

ADUBATO: Joe, that's relevant information, and I understand what Rod is saying.

But I think what he is actually arguing is, the better the video, the more graphic the video, then go ahead and show it.

Well, here's my question. Well, then, why don't we show the beheading of Nick Berg? It's graphic. You have the video. It's incredibly irresponsible to show that beheading.

It's irresponsible if we had two video of the two young girls, the little girls who are killed.

Rod, are you saying, we should show it because it's — quote — "news"? I don't understand where you are going here. Where's the line?

BERNSEN: Let me turn the question back on you, Steve, and ask you this. Do you remember the little girl who was burned by napalm as she ran toward the camera and she was nude?

ADUBATO: Yes. In Vietnam, yes.

BERNSEN: Remember that picture and how it changed people's attitude?

What about the USS Arizona exploding on December the 7th, 1941? Instantly, at least 1,000 sailors died when that happened. Should journalists not show those pictures? Should we have some sort of arbitrary decision that we are not going to show the story?

(CROSSTALK)

ADUBATO: Let me respond.

BERNSEN: Or show the pictures?

ADUBATO: Let me respond.

There is a place for being responsible. There is a place for some — actually some media restraint. Here's my point. I agree with you about the pictures of the little girl. It changed public opinion. But, at the same time, you and I know that, in wartime, the pictures we actually see during the war are not graphic representations of what's going on in the war, because we believe, as journalists, we believe, as Americans...

(CROSSTALK)

SCARBOROUGH: Steve, I have got to ask you this, though.

ADUBATO: Go ahead, Joe.

SCARBOROUGH: We are East Coast guys. This doesn't happen a lot.

I have got to tell you, though, if this were happening in my hometown, if this were happening in New Jersey, where you live, and you had cars flying through the streets, around your neighborhoods, down interstates that adjoined your neighborhoods, wouldn't you, wouldn't your wife, wouldn't your family want to know where those cars were going?

ADUBATO: Joe, I agree that we would need to know. We would need to understand to protect ourselves. But that has absolutely nothing to do with seeing the chase live, seeing the guy get shot live.

BERNSEN: Steve, let me interrupt. Steve, let me interrupt.

ADUBATO: No. Joe asked me a question, Rod. Here's my answer in the next 10 seconds.

(CROSSTALK)

ADUBATO: I think we need to know, Joe. It's a question of how you get told. I don't need a graphic video of the guy being shot.

Bill Bratton, the chief of police out there, says, by showing this stuff, you encourage these criminals to flee the police and make it worse.

BERNSEN: I know of no study that proves that. However, it doesn't take a brain surgeon to figure out, you are probably right.

But answer me this. A gentleman was watching a pursuit live on television here in Los Angeles. He took time to shower, change and then drive to a job interview. He never made it. The reason is, is the suspect in that chase that he was watching carjacked him. Now, you don't think that the motoring public wants to know whether or not this is going on?

And besides that, doesn't it — isn't it our role as journalists to explain to people what is happening, why it is happening, and what they should do if they find themselves caught up in that situation?

ADUBATO: Rod, I agree the public has a right to know. I will argue again my point. The question is when.

Do you actually believe in a five-or 10-second delay, so a news organization should show — could show some restraint, some news judgment? Or do you need to see it as it happens?

BERNSEN: No. I think that a five-second delay is perfectly fine.

In fact, the news director here in Los Angeles at KNBC, he made a conscious decision not to show the pursuit live. It was his editorial judgment that they were not going to do that. I can't argue with that. But what I am arguing is, if you are going to show the pursuit, then show the whole pursuit.

SCARBOROUGH: Steve, let me ...

BERNSEN: Show people who are going to run from the police that there are consequences.

(CROSSTALK)

SCARBOROUGH: Let me get in here. And, Steve, I want to read you this really quickly.

ADUBATO: Go ahead, Joe.

SCARBOROUGH: This is a statement by KABC-TV in Los Angeles, which actually did cover the chase live.

And this is what they said — quote — "Live breaking news is always unpredictable. Our news staff was aware of the increasing danger and violence. We responded accordingly. Obviously, no one knew shots were going to be fired. The instant we did, we went to a wide shot."

Steve, is that enough?

ADUBATO: No, it's not, because, I have to tell you, when you mentioned the O.J., the Bronco chase before, Joe, you and I know it. You were in politics at the time. But now you're in the media and you know it.

There are people in our business who were actually hoping that O.J. killed himself, killed himself. There are people in our business who actually hope for even more dramatic video. So, don't tell me that because they said we pulled back — they pulled back after the guy was shot. They knew — a lot of media people and police said they knew this was going to end badly. Where is the restraint? I am not saying we should never know. I just say that this is the wrong way to find out. It was incredibly irresponsible.

SCARBOROUGH: All right, Steve, thanks a lot for being with us. We appreciate it.

Rod Bernsen, thanks, again, also, for being with us in SCARBOROUGH COUNTRY. Appreciated your insights also.

Coming up next, the runaway bride, new details about what she told the police before her story unraveled, her description so precise, it's going to bring up new questions about just how planned out her run from the altar really was and whether she should go to jail. That's the latest coming up next.

And also coming up, reports of a last-minute move by the DA prosecuting Michael Jackson. He's in trouble, and he knows it. A desperate sign. We are going to tell you what his latest desperate moves are and whether they are going to work getting Michael Jackson behind bars.

SCARBOROUGH: The latest on the runaway bride coming up next. Police reveal new details about all the lies she told when she surfaced in New Mexico. The question is, does it mean now she is more likely to be behind bars?

(NEWS BREAK)

SCARBOROUGH: Runaway bride Jennifer Wilbanks was extremely detailed in the description she gave Albuquerque, New Mexico, police about a couple that she claimed abducted her.

Take a look at this description of the abductor: 5'9", medium build, short hair, rotten teeth, spoke Spanish. Description of assault: "Male did not use any force, but he did not use foreplay either."

OK. Well, now that we have cleared that up, with us to talk about Jennifer Wilbanks' statement to police and what it

means is "New York Post" columnist Andrea Peyser. She has written about Jennifer Wilbanks. Also with me is defense attorney Steven Greenberg.

Andrea, let's go to you first.

My gosh, rotten teeth, short hair, medium build, no foreplay, a lot of description that this runaway bride had. What does it mean? What does it mean?

ANDREA PEYSER, COLUMNIST, "THE NEW YORK POST": Well, she certainly was trying to say that she was kidnapped. She meant it. She did not want anyone to think that she went away willingly.

I don't know. I don't know what she was working out in her head, no foreplay. Perhaps she was describing her fiancee. I don't know what she was running from. But this woman, I don't know. She wants you to believe she is disturbed, that she's crazy. She has checked herself into a nuthouse. The truth is that these were premeditated acts designed to throw the police off the trail, which leads back to Jennifer Wilbanks. She should be punished.

SCARBOROUGH: I was going to say, because — I mean, because of this description, it certainly looks so calculated. You have her buying the ticket a week beforehand. You have her making plans, getting on the bus in Atlanta.

And, then again, she gets to New Mexico, and it's not — it's not the way we were told, I mean, right after — right after she turned herself in to authorities. It seemed like she was scared. She — but, again, doesn't this make it look so much more calculated, that she actually may be more likely to face charges, if not, universal scorn?

PEYSER: Yes, I don't know. Maybe there was some — maybe she was seeking attention, wanting to make herself seem like the victim.

STEVEN GREENBERG, DEFENSE ATTORNEY: But this is after the fact.

PEYSER: After the fact?

GREENBERG: Joe, this — and Andrea, this is after the fact, that she is talking to the police.

She talking to the police in New Mexico. And, by then, the ruse is up.

PEYSER: Well, well, well, now, but...

GREENBERG: I mean, why would we prosecute a lady — why are we going to prosecute a lady who is scared to get married, obviously scared to get married, because she didn't get married the first time? She ran away scared.

PEYSER: Well...

GREENBERG: She didn't get married this time. And so we are going to prosecute her for it?

(CROSSTALK)

GREENBERG: I am not saying maybe they shouldn't be able to recover the cost of the chase, the cost of hunting, but do that civilly. But are we going to send her to jail because she can't manage her personal love life?

PEYSER: OK. Well, she is giving some very detailed descriptions that could fit a large number of people.

(CROSSTALK)

GREENBERG: That's so they're not detailed, so, the wrong people don't get arrested. So she is caught in this lie, and now what is she supposed to do? She is supposed to say, oh, I lied. Her first reaction is going to be a defense mechanism. I made this stuff up, but now I'm going to have to go further into making it up.

PEYSER: Well, sir...

GREENBERG: So she's going to give this description.

SCARBOROUGH: All right.

PEYSER: I'll tell you something. If I were — if I were...

SCARBOROUGH: Let Andrea respond.

PEYSER: If I were a Hispanic male, if I were representing Hispanic males, I would like to see her locked up. I mean,

she could have led to many people locked up, questioned.

It's only — it's fortunate that that did not happen. But that's only luck that that did not happen. Girl comes in, hysterical, says she was raped, no foreplay. For goodness sake, they could lock people up just for that alone. It's lucky that it didn't happen.

(CROSSTALK)

SCARBOROUGH: Steven, isn't that the real problem, Steven? Because, when we all first heard this, we were like, my gosh, this is obviously a disturbed woman. She was scared. She ran away, went to Vegas. Didn't work out. Went to New Mexico, talked to authorities.

But now we are finding out again, from this 10-page police report, she had, the guy is 5'9", medium build, short hair, rotten teeth. He speaks Spanish, had sex, no force, no foreplay. I mean, doesn't that — doesn't -- I mean, how many lies has she just told law enforcement officers? Are you telling me that this woman and others should be told, hey, it's OK to lie to the police just so long as...

(CROSSTALK)

SCARBOROUGH: Go ahead.

(CROSSTALK)

GREENBERG: ... decide by each case.

But look at what she said. What she said — you can tell — any experienced police officer could probably look at that and tell that that was just total poppycock, that it was totally false, no bruising, no scraping, no foreplay, no nothing. I was kidnapped by this person. I was taken halfway across the country. I have nothing to show for it. I can't describe the vehicle I was taken in. I can't describe where I was taken to. I gave a description that could fit half the people in America. That's not going to get anyone in trouble.

SCARBOROUGH: OK. But, I mean, just because she is not a convincing liar — you know, people get arrested for perjuring themselves because they are unconvincing liars. I mean, are you saying, because she is a bad liar, she gets to walk?

GREENBERG: The only person I have ever seen prosecuted for perjury, successfully prosecuted for perjury, was in the Martha — Martha Stewart trial. And they used his perjury testimony, said it didn't make a difference. They don't prosecute anybody for perjury in this country. They let people perjure themselves every day, and they say, oh, well, we didn't know. They never prosecute people for perjury.

And they never prosecute people for lying to the police. We don't want to be in the position of trying to be clairvoyant or truth testers and prosecuting people in these situations. They are going to arrest you now for cutting off your mattress tag. They are going to arrest you for not lifting up the toilet seat. I mean, where does it stop?

(CROSSTALK)

SCARBOROUGH: I think it's a little bit different.

(CROSSTALK)

SCARBOROUGH: What she is doing is, she is lying to police officers.

Andrea, I want to show you the cover of "The New York Post," a story that you wrote some time back, a couple of weeks back. And you said that she hails from — "Jennifer Wilbanks hails from a slice of the South where a 32-year-old, never-married woman is either insane, in prison, or gay."

You have had a couple of weeks to think about it. Which is it?

PEYSER: Well, I don't believe she is insane. She wants you to believe that she is insane. That's why she checked herself in. That's the best thing to do. I was crazy. I was not responsible.

She is definitely responsible for her actions. They were premeditated. They were vicious. Now, I just want to — we are having fun and games with this all the time, but I do — one of the motives that she gave for possibly running away was that her fiancee wouldn't sleep with her, because he was a Baptist. I mean, this is just — this is just really quite a crazy case.

But there are some very serious issues here. And one of them is that there are cases of missing persons, many of them involving children, some of them involving women. We have Amber Alerts. It's critical that we take them seriously. Now, when a Jennifer Wilbanks gets national attention when a lovely bride-to-be, who is all excited about her wedding and everybody says, oh, she couldn't have run away, she had to have been kidnapped, and God knows what happens to her, now, what happens the next time?

This creates skepticism for cases that could be genuine emergencies. Look at the case of those two beautiful children in Illinois. Are we going to think, next time, well, they could be lying, making it up; let's not jump to conclusions? Somebody could die because of Jennifer Wilbanks. And that is what I...

(CROSSTALK)

SCARBOROUGH: You're exactly right. I feel the same way. Just today in Florida, we had another Amber Alert. And, again, you have people doing things like this, you're distracting law enforcement officers. And, again, the rest of us aren't quite as on guard, because we think that the next time something like this happens, it, too, may just be a hoax.

Hey, thanks a lot, "The New York Post" columnist of the year Andrea Peyser and also Steven Greenberg. We greatly appreciate you being with us tonight.

And, coming up, we're just learning tonight about a prosecution move in the Michael Jackson case. We're going to be talking about that and just how desperate Tom Sneddon has become.

Plus, good for business or bad taste? A businesswoman is causing is causing quite a stir with her new billboard in Los Angeles. America is talking about it. So we are, too.

Coming up in SCARBOROUGH COUNTRY.

SCARBOROUGH: Coming up later in the show, my interview with Bob Dole. Plus, we are going to talk about the latest in the Michael Jackson case. We told you last night the prosecutor was desperate. Today, he proved it. We will tell you how.

But, first, here's the latest news you and your family need to know.

(NEWS BREAK)

SCARBOROUGH: Now for the latest in the Michael Jackson case. A smart move or a Hail Mary from the prosecution? They are trying to broaden the prosecution, introducing new witnesses and details to this case.

MSNBC's Jennifer London is standing by with the very latest.

Jennifer, what have you got for us?

JENNIFER LONDON, NBC CORRESPONDENT: Good evening, Joe.

According to a prosecution motion made public late last night, the prosecution wants to expand its case by calling new witnesses and introducing new evidence relating to past allegations against Jackson, included in the new evidence, a statement from Michael Jackson's sister, LaToya, that she allegedly witnessed a million-dollar payment to silence another accuser. If that is true, that would be the third settlement that Michael Jackson made with three separate accusers.

The prosecution is also asking the court to allow them to introduce evidence that Michael Jackson took a number of children into his bedroom while he was under the influence of controlled substances.

Now, Joe, it is worth noting that a lot of things are happening behind closed doors at this trial. So, we really have no way of knowing if the defense has responded to this motion or if the judge has ruled on this motion or if he has any intention to do so. And in other court news, today, the jury heard from a former Jackson attorney, David LeGrand, who said he had no knowledge of any conspiracy to hold the accuser and his family against their will.

And more news about another one of Michael Jackson's former attorneys, Mark Geragos, today, the judge saying if Mark Geragos does not appear at the courthouse tomorrow, he will issue a bench warrant for his arrest. We understand the defense has already issued two subpoenas for Mark Geragos. Apparently, there is a scheduling conflict, and the judge saying, I have no tolerance for that, and Geragos must appear tomorrow.

SCARBOROUGH: Jennifer, this sort of sounds like the end of all those Schiavo appeals, where the Schiavo attorneys

kept appealing time and time again on issues they had already lost. I mean, hasn't the prosecution already tried to get in evidence of these 1993 payoffs and been unsuccessful?

LONDON: Well, Joe, to a certain extent, the prosecution was able to introduce past uncharged allegations against Michael Jackson. It's what everybody has been referring to as the 1108 witnesses.

The judge did rule that the prosecution could, to a certain extent, introduce some of the past accusations. And, remember, the jury did hear from a former accuser, who said: Michael Jackson molested me.

And the jury heard from former Neverland employees who said they saw Michael Jackson molest a number of young boys, including actor Macaulay Culkin, which is why we heard his testimony for the defense yesterday. So, to a certain extent, the prosecution has already included evidence relating to past allegations against Jackson.

And, again, because so much is happening behind closed doors, we really can't say what the prosecution's motive is for trying to enter in new and more evidence relating to past allegations. And we certainly don't know if that will be allowed and how the defense has responded to it.

SCARBOROUGH: Jennifer, Jennifer, final question. Is there a sense that the prosecution is feeling a little desperate today? Obviously, the Macaulay Culkin testimony did not go well, from all reports, out of the courtroom that I heard. Chances good that the prosecution knows that they are behind the eight ball here and they have — really has to pull out all the stops to get Michael Jackson behind bars?

LONDON: Well, I think it was undeniable that, yesterday, after actor Macaulay Culkin took the stand, that it was simply not a good day for the prosecution. Culkin was very credible, and he flat-out denied. He said: Jackson did not molest me.

So, certainly, after yesterday's testimony, there was a feeling that the prosecution, perhaps when it puts on its rebuttal case, will have to do something if they are going to pull the nose up.

SCARBOROUGH: All right. Thanks a lot. Greatly appreciate it, Jennifer London, outside the courthouse in California.

Let's now bring in Stacey Honowitz. She's Florida's assistant state attorney for sex crimes and child abuse. And also defense attorney Steve Clark. He's someone who has had an inside look at this case from inside the courtroom.

Stacey, I start with you.

Do you think the prosecution really knows that they are on the defensive here and that they have got a lot to prove when they get another shot at the jury?

STACEY HONOWITZ, FLORIDA ASSISTANT STATE ATTORNEY: Joe, you just keep saying through your whole introduction and through this whole segment that they are desperate; they are behind the eight ball; this is Hail Mary.

You have to understand how a criminal trial works. What is going to happen in this case is, Jackson is going to parade in a series of witnesses to say that he has a reputation for good character, that, in their opinion, he would never molest anybody, that they — to their own personal belief, he is very good with children. He is a fabulous parent.

So, what the prosecution is doing is what any prosecutor would do. They want to ask the judge, if he is going to parade in all these reputation and character witnesses, we want to be able to cross-examine them with regard to prior bad acts and what they know and what they have heard.

So, this motion wasn't filed last night after Macaulay Culkin took the stand because they were feeling desperate. This motion was filed last week when they knew that these witnesses were going to come forward, and we want to have an opportunity to ask these witnesses in front of the jury, if you think he has such a good reputation, did you know that, in 1993, he paid this one off? Did you know, in 1994, he paid this one off?

So, that's what these motions are all about. It's not a desperate measure. It's exactly what the prosecutor is entitled to do.

SCARBOROUGH: So, Steve Clark, the defense opened the door. And so now the prosecutors can put forward witnesses that are going to prove that Michael Jackson is a sleazebag. Is that how it works?

STEVE CLARK, CRIMINAL DEFENSE ATTORNEY: well, that's right. And they did — the defense did open the door, but I think Mesereau knew that he was opening the door. Tom Mesereau has been ahead of Tom Sneddon this whole

case. And Tom Sneddon's big problem in this case is, by making that conspiracy theory the centerpiece of his case, he's allowed the Bashir video to come in.

(CROSSTALK)

SCARBOROUGH: Why did he do that? I hate to interrupt you, but why did he do that? That seems like the stupidest idea of the prosecution's whole plan. I mean, why not just prove that this guy was a child molester?

CLARK: That's what they should have done. And, for some reason, they tried to get fancy and use this conspiracy theory. It's backfired on them the whole way. It's allowed Mesereau to get into all of this good character evidence now, by way of the video.

I mean, Mesereau was able to put Macaulay Culkin on the stand and not only say he didn't molest me; I don't think it's consistent with his character. And so did the other victims.

So, why would you call three victims to the — evidence about three victims and let them get on the stand and refute everything you are saying? You have really watered down your case. And if — trying to show now with character evidence and impeachment evidence about things in 1993, that he held his child outside of a hotel window, we already know all these things. That's not going to do anything in terms of forwarding the case.

STACEY HONOWITZ: Well, certainly...

CLARK: So, I think the prosecution has been behind the eight ball on this case the whole way.

STACEY HONOWITZ: Listen, I — I can't...

(CROSSTALK)

SCARBOROUGH: Let's take a listen to what Court TV's Lisa Bloom had to say last night right here in SCARBOROUGH COUNTRY.

And then, Stacey, we will go to you.

STACEY HONOWITZ: OK.

(BEGIN VIDEO CLIP)

LISA BLOOM, COURT TV ANCHOR: .... admitted on the stand that his attorneys told both sides he wasn't going to give any statement.

You know — you know what is really lacking here? The 1993 accuser. If the prosecution would bring him in, in their rebuttal case, and he will look the jury in the eye and say, I was molested, because he was molested worst of all in terms of the egregiousness of the acts. His mother has testified, but he hasn't testified yet. That could really put this case away for the prosecution.

(END VIDEO CLIP)

SCARBOROUGH: You know, Lisa said that last night, Stacey. You were here. You heard her say it. This morning, "The L.A. Times" is reporting that they had planned this last Friday.

Is that really what this case is going to revolve around, getting that '93 kid in and saying, yes, he did it to me; he paid me off?

STACEY HONOWITZ: Boy, I will tell you something. That would be the most fabulous evidence that the prosecution could bring in. But I don't know if you recall, many months ago, his uncle was on one of the morning shows and he said that this 1993 accuser was out of the country, so that he wouldn't have to testify. There might be some reason to believe that he is fully aware of what's going on in this case, has returned to this country, and might be willing to testify.

And I will tell you something, Joe. If they are able to bring him in and he is able to kind of shut the door on what happened to him and explain to this jury the salacious details of what went on and why he was paid off, I will tell you something. You can say you are behind the eight ball all you want or it's a desperate measure. It could lock up the case for the prosecution.

So, I wouldn't be surprised if the prosecution knows where this witness is and they might intend to bring him in,

because I am sure there's going to be a rebuttal case. It's not going to sit with Michael Jackson's wonderful parade of character witnesses. The prosecution is going to have a rebuttal case.

SCARBOROUGH: We will see if they have got a plan.

Steve Clark, you have been out there. A lot of people that have been out there, that have been in the courtroom, like you have, have all said the same thing. When Sneddon, when the prosecution finished up their case, everybody kind of looked at each other and said, is that it?

CLARK: That's right.

SCARBOROUGH: I mean, did Tom Sneddon come ready to play this tough, tough legal game?

CLARK: I don't think — he underestimated Tom Mesereau. Tom Mesereau is an alley fighter and he is so well prepared. He knows everything about the case. He knows what Tom Sneddon's witnesses are going to say before Tom Sneddon does.

And he has also overestimated the value of both his conspiracy case and also the evidence from Debbie Rowe. You remember, he anticipated that she would help him. She totally backfired on him. So, everything he has done, he has made a mistake. So, at this point, I don't think he is going to be able to salvage the case. I think the jury is convinced that Michael Jackson is inappropriate around children.

But I think they are also going to say, you still have to prove this case, and you haven't done it.

SCARBOROUGH: All right. Thanks a lot, Steve.

Thanks a lot, Stacey.

I got to tell you, my personal feeling is just exactly that. I think Michael Jackson has been terribly inappropriate around children, but, at the same time, I know that the state has got a burden to prove beyond a reasonable doubt that he molested this child, the way the state said he molested this child. And I am afraid right now it doesn't look like they are doing their best to prove it.

Coming up next, she is using her best assets to boost business. And guess what? It's working. What business is she in? We will tell you right after the break. And here's a little hint. The kids, they can keep watching. Don't send them to bed yet.

(NEWS BREAK)

SCARBOROUGH: You may have heard about it by now. There's a billboard out in L.A. that is causing a lot of people to turn their eyes. A billboard that features real estate agent Wendy Heath — she's a former personal trainer — wearing a bikini, alongside the family English bulldog with the words, "Got Real Estate?"

It's got people sharply divided over whether it's appropriate. And some real estate agents are up in arms, while others are extremely supportive.

With me now, the woman who created the billboard and all the controversy, Wendy Heath.

Wendy Heath, thanks a lot for being with us tonight.

Let me start by asking, why did you do it?

WENDY HEATH, REALTOR: Well, ultimately, there's many, many real estate agents in our area, and it's hard to break through and set yourself apart.

So, ultimately, I wanted to set myself apart and kind of shock the shore, and, you know, drive people to my Web site and increase my business.

SCARBOROUGH: Has it worked?

HEATH: Oh, absolutely.

I had 2,000 people to my Web site yesterday. And then, since all of the craze with the media, I have had 20,000 folks in the first hour this morning hit my Web site, many, many calls from people that are very, very supportive, and then, of course, a few people that disagree. But, for the most part, it's been fantastic.

SCARBOROUGH: I was going to ask you, what type of response have you gotten from people that have been calling? What kind of response have you gotten from other agents? Have you had feminists calling you up, yelling at you, saying that you set back the women's movement a generation with your one billboard?

HEATH: I have had one call like that. And then all of the other calls are pretty much: You go for it. Great way to think out of the box.

Yes, they have been pretty positive. And I am absolutely amazed that one billboard could cause so much attention, but I am absolutely elated.

SCARBOROUGH: What about fellow realtors? Have you had some realtors complaining? Other women, other female realtors especially, do they think this is a cheap way to attract business?

HEATH: You know, I would say that most folks are supportive. There are a few that are flipped out. And I think, mainly, it's because they didn't think about it first, or maybe they won't invest that kind of money in their business. It's a pretty large investment.

But, ultimately, it's been pretty positive. And, like I had, there's a few people that — and everybody is going to have their opinion. So, you just let them have their opinion. And I have big shoulders. And, hey, I am weeding out the folks I don't want to work with. I can tell you that.

(LAUGHTER)

SCARBOROUGH: Yes.

So, tell me something. Do you think that — well, let me just ask you. How did you respond to the person that said, and other people that are going to be saying, that, you know, you cheapened yourself; you shouldn't have done this; you are degrading women; you are selling your body and not your mind? How do you respond to those people?

HEATH: Well, ultimately, I am a college-educated female. I am a mother of six children. And my husband is supportive of me. And, ultimately, in terms of women, I mean, if I was up there and, you know, not tastefully up there, then that would be something I would be concerned about, by all means.

But it's done tastefully. I have the dog in front of my body. There's a little bit of cleavage showing there. And you know what?

(LAUGHTER)

SCARBOROUGH: Yes.

HEATH: I'm female. So, guess what? I have — you know, it's just — that's who I am.

(LAUGHTER)

SCARBOROUGH: You know, just — yes, by judging the billboard, yes, you are female.

And I am going to ask actually my executive producer after the show if he thinks me doing that, wearing speedos, will actually help our show. Probably not.

(LAUGHTER)

SCARBOROUGH: Thanks a lot, Wendy Heath.

HEATH: Thank you.

SCARBOROUGH: Greatly appreciate you being with us.

And, in a very smooth segue, coming up next, Bob Dole talking about how he won the war against the Nazis in World War II.

SCARBOROUGH: Hot on the heels of the president's V.E. trip to Europe, a new book out, "One Soldier's Story." It's written by none other than Senator Bob Dole.

Now, earlier today, I spoke with the senator and I asked him about his celebration of the 60th anniversary of Victory in Europe Day.

(BEGIN VIDEOTAPE)

BOB DOLE (R), FORMER U.S. SENATOR: My thoughts were with these men and women and orphans and children of veterans. This was sort of their day, the Victory in Europe. We'll celebrate V.J. Day, Victory in Japan, in August. And that will really mean the end of the — end of World War II.

SCARBOROUGH: You know, there's a battle going on right now in Washington, D.C., regarding judicial nominations. I saw an op-ed piece that you wrote for "The New York Times."

DOLE: Right.

SCARBOROUGH: Thought it was very effective. How do you think this battle over judicial nominees and the so-called nuclear test, nuclear option, is going to play out?

DOLE: Right.

Well, first, I think it's a constitutional option. And, as I said in my piece, don't mess with the rules unless it's the last resort. And I think Senator Frist and other Republicans in the leadership have made that effort with their Democratic counterparts, so far without success.

But, if I could offer any advice to Harry Reid, it would be, these aren't the important ones. The important ones are the Supreme Court nominees. Why don't you let these seven or eight or nine go and hold your fire until you get a Supreme Court nomination? Because there would be a lot more focus, a lot more attention. I don't believe, beyond the beltway, the American people really care much about what we are talking about when it comes to justices.

SCARBOROUGH: You know, when you were minority leader...

DOLE: Right.

SCARBOROUGH: ... in the Senate, when you were majority leader in the Senate, I am sure there were several times when conservatives, very conservative senators, came up to you and said, hey, why don't we deny the up-or-down vote by using the filibuster? It's the thing to do.

DOLE: Yes.

SCARBOROUGH: What did you tell them and what do you tell Harry Reid and Democrats right now?

DOLE: Well, it wasn't in our playbook.

I don't — I can't remember — I can remember some State Department nominees being held up by Senator Helms, and probably judicial nominations where they — where they put a hold. In other words, they won't let you bring it up right away. But, generally, after they would check background, maybe get more questions submitted in writing, they would come back and say, let the nomination go.

And I think I can say, without any fear of inaccuracy, that we never blocked a nomination in the 12 years I was a Republican leader, which I think knocks down all these charges by the Democrats. What we are trying to do on the Republican side is to maintain the tradition we have had for over 200 years. The president nominates and the Senate advises and consents.

And you can't consent or you can't not consent without having a vote. I mean, if they have a vote and the nomination is defeated, that's fine, but let's have a vote.

(END VIDEOTAPE)

SCARBOROUGH: Senator Bob Dole, thanks a lot for being with us.

That's all the time we have for tonight. Make sure you watch "The Today Show" tomorrow morning. Their summer concert series continues. You're not going to want to miss it, Reba McEntire.

We'll see you tomorrow.

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Big Bucks Trios - Arthur Dionisio 300-779, James Cunningham 278-746, Tom Robowski 289-716, Wayne Andrews 268-702, D.K. Smith 672, Ed Richards 251-659, Ken Kuppart 640, Artie Dionisio 633, John Roberts 628, Steve Parenteau 627, Cynthia Tarantini 227-577, Heather Nowak 548, Debbie Grainger 546, Nikki Brown 540, Heather Grainger 534, Kim Kemp 519, Barbara Herrmann 514, Brenda Martin 511, Brian Kuppart 259, Kurt Peters 256.

Myrtle Waves Youth - Jimmy Vreeland 219-564, Michael Anderson 200-506, Katie Anderson 217-461, Kyle Ogden 160-467; Games-Scottie Burk 157, Bryan Lattimore 134, Drew Johnson 132, Zara Bailey 129, Patrick Christenson 126, Britney Hufnagel 123, Sabrina Verno 122, Justin Sitkowski 122, Brittany Tanner 115, Maurica Parker 109, Teaira Collins 105.

Myrtle Waves Youth Adult - Adults-Billy Adams 535, Mike Anderson 506; Youth games-Mikey Anderson 176-514, Katie Andeson 169-470, Aaron Winters 150, Thomas Adams 135.

Conway Hospital & Friends - Bill McCue 598, Bill Bumgardner 588, Judi Robinson 552, Carol Deese 547, Mary Stallings 523, Paul Von Sprecke 516.

MB Collision Las Vegas - Vance Langston 269-667, Mel Allen 562, Terry Markley 560, Shelby Smith 202 game.

Perfect Score - Scott Reidel 550, Linda Anama 545, Billy Hataway 518, Jim Holliday 512, Noreen Alesander 207 game.

Nascar Cafe - Tom Smith 620, Tony Rabon 601, Travis Rabon 560, Terry Prince 547.

Striking Saints - Brian Wright 507.

Nascar - John Kinman 500.

CLUB GOLF

Aberdeen

Aberdeen Men's Association - Meadows/ Woodlands. One net par 3s, two nets par 4s, three nets par 5s. Harry Painter/ Joe Powell/ Charles Chapin/ Art Willms-23; Billy Turner/ Herb Shambaugh/ Andy White/ Bob Montgomery-18; Jim Greco/ Joe Cox/ Matt Zeikel/ Ron Kercher-16.

Angels Trace

Bay Tree Blazers - North. Gerry Blake/ George Dubois/ Don Stewart/ Gordon Lindsay +7 m/c; Gene Coutier/ Don Casagranda/ Neil Prota/ Tom Teyssier +7; Joe Raitano/ Tom Wright/ Larry Walter/ Howie Whatford +5.

Azalea Sands

MVP Players - Low net: Chick Hedrick 69; Buck Holcombe 69; Richard Murphy 70; Sandy Handy 72; Joe Bruno

73; Bill Woods 73.

Barefoot

Barefoot Residents Golf League - Love. Two-player team, low net: Mary Anne Gannon/ Jim Schramek 58; Carolyn Brown/ Don Barrow 63; Ray Halley/ Dennis Gannon 63; Sandie Ulery/ Clarence Brown 64; Pete Parrish/ Tp Smith 64; Tom Foust/ Lester Jee 65; Terry Jee/ Mark Yamamoto 66; Roger Caron/ Carlos Gonzales 68;

Bay Tree Golf Plantation

Bay Tree Ladies - Flight A. Low gross: Donna Phelps. Low net: Judy Nicoletti; Janis Ortmeyer. Fewest putts: Yvonne Kaldahl. Flight B. Low gross: Jan Cavanaugh. Low net: Helen Foxx; Sharon Pies. Fewest putts: Louise Gipple. Flight C. Low gross: Jan Schuster. Low net: Judy Walter; Pat Beisheim. Fewest putts: Pat Michalski. Flight D. Low gross: Jean Rogers. Low net: Mary Connelly; Betty Nicol. Fewest putts: Dolly Prater.

Beachwood CC

Rockys Rowdies - Four-man team 1, 2, 3: Sal Amato/ Sandy Zorn/ Bobby Ward/ Tom Bradley 154; Charles Kniffin/ Whitey Brong/ Jim Starr/ Bob Patrick 158.

MVP Players - Low net: Buck Holcombe 66; Bill Sizemore 67; Jack Pfizenmayer 68; Don Koch 68; Joe Bruno 70; Jack McDonnell 70.

Wieder's Wanderers - Low gross: Ray Jenkins 73; Gene Brown 76. Low net: Ray Bjorkman 62; Gene Brown 63. Low team: Phife Ross/ Don Herr/ Art Wieder/ Carl Curtis 50; Len Morley/ Bob Reynolds/ Ray Bjorkman/ Bill Rodgers 52. Closest to the pin: Joel Bergen.

Brunswick Plantation

Brunswick Plantation Ladies Golf Association - Best nine holes net tournament. Eleanor Tucker 22; Mae Drezek 23.5; Ann Wiltbank 24; Carrie Wilson 24. Chip-ins: Leah Pressel Dogwood #5.

Brunswick Plantation Ladies Golf Association - Low net: Mae Drezek 69; Pat Haniquet 69; Kathy Toeppner 70; Moe MacDonald 71. Birdies: Eleanor Tucker Magnolia #4. Chip-ins: Joanne Kardolay Magnolia #3.

Burning Ridge

Burning Ridge Tracers - East. Stabelford. Neil Florenz/ Ed Fultz/ Mike Souchouck/ Al Robertson +33; Bill Dupke/ Donn Ebert/ Howard Perrault/ Carmen Perruzzi +17.

Ridge Runners - East. Designer 9, ½ handicap. Pat Hosford 26; Diane Feeney 27; Carolyn Addison 28.

Calabash Golf Links

Carolina Rebels - Count one gross and 2 net scores per hole. Tom OGrady/ Harvey Stratton/ Al Bowman/ Buddy De Josia; Bill Lester/ Joe Wallace/ Paul Parker/ Blind; Al Hooker/ Doug Williams/ Wendell Hughes/ Blind. Closest to the pin: Buddy DeJosia #2; Joe Cramer #6; Bill Zanzalari #13; Ed Mahon #16.

Carolina Rebels - Count three net scores per hole. John Radzeiwski/ Roger Dollinger/ Wendell Hughes/ Bill Zanzalari; Al Hooker/ Al Bowman/ Pete Palshan/ Blind; Bill Lester/ Paul Parker/ Dan Norman/ Joe Bonczek. Closest to the pin: Paul Parker #2; Roger Dollinger #6; Al Bowman #13; Harvey Stratton #16.

Wieder's Wanderers - Low gross: Ray Jenkins 71; Jack Stuedl 73. Low net: Jack Stuedl 62; Bob LeDane 63. Low team: Ray Boseman/ Jack Plaxco/ Howard Graley/ Don Moore 50; Sam Reynolds/ Don Herr/ Phife Ross/ Joel Bergen 51. Closest to the pin: Bob LeDane.

Crown Park

Crown Park Par Savers - Modified Stableford, four-man team. John Marcotte/ Tom Beaver/ Tom Soukup/ Marv Schroeder 177; Bernie D'Aloisio/ Harold Hazell/ Earl Blasch/ Rich Luedee 174. Individual low gross: John Marcotte 74.

Individual low net: Mark Hammond 60.

Heritage Plantation

Heritage Men's Golf Club–Two best balls. Larry Sander/ Steve Sweeney/ Charlie Harris/ Auggie Fields 121; John Ares/ Jim Geitz/ Joe Leger/ Bill Thompson 122 m/c; Rich Pallonetti/ Irv Henke/ Jim Piver/ Gary Clinard 122. Low gross: Clarke Hayes 78. Low net: Auggie Fields 66.

Heron Point

Markeys Marauders - Low net: Gene Hardig 64; Andy Demeglio 66; Walt Tully 66; Lew Esposito 68; Gene Mulligan 69; Del Hensley 70.

Farmstead

Players Golf Association - Two-man teams. Low net each hole except 9 and 18 which require both low nets. Dick Malatesta/ Bill Campbell; Tom Briggs/ Bob Lange m/c; Ray O'Donnell/ Carl Price. Closest to the pin: Don Clark; Wil Garvin.

Baytree Blazers - One low net on par 5s, two low nets on par 4s. three low nets on par 3s, one low net on the par plus yellow ball. Bill Harbin/ Don Stewart/ Dave Beverly/ Charile Nye; Gene Coutier/ Rudy Wimberger/ Gerry Blake/ Frank Natale; John P Jones/ Don Foster/ Howie Whatford/ Jim Lamb.

Indian Wells

Indian Wells Senior Men - Two low nets. Don Mims/ Norm Houck/ Don Jacobs/ Marshall Smith 112; Gaspar Ingui/ Tony Russo/ Milt Nichols/ Don Sanford 115; Vern Rocke/ Walt Ivan/ Carl Brownlee/ WF Johnson 116. Low nets: Don Mims 64; Gaspar Ingui 64.

Indigo Creek

18 Hole Ladies League - A Flight. Low gross: Pam Priestley. Low net: Reiko Minigawa. B Flight. Low gross: Barbara Hamberger. Low net: Alice Pelkey. C Flight. Low gross: Pat Fleming. Low net: Beverly Evans. Low putts: Louise Krechel. Closest to pin: Beverly Evans.

South Strand Veterans/Elks - Individual low net. A Flight: Cliff Marcum 65; Bob Johnson 67; Tom Stricker 70; Norm II 70; Dick Chugg 71. B Flight: Ed Bartholomey 69; Ken Youmans 69; Woody Pencille 70; Regis Kolasa 71; Jack Smith 71. C Flight: Tony Ricci 68; Bob Berthiaume 68; Jack Ruel 69; Jack Leiz 71; Tom Luff 72. D Flight: Robert Lodeski 64; Gil Jesch 69; Larry Miller 70; Jerry Lucido 71; Leo Flynn 72.

International Club Of Myrtle Beach

Murrells Inlet Elks #2797–Low net. A Flight: John Kokaska 68; Bob Donaldson 72; Ralph Ferrera 72; Bill Hutchison 75. B Flight: Norman II 64; Nils Lambert 69; Hank Deluca 73; Regis Kolasa 74. C Flight: Fred Petruzzello 70; Paul Battistoni 70; Ed Rice 72; Al Rossi 73. D Flight: Rich Paretti 65; Leo Flynn 65; Howard Magill 71; Nels Hellstrom 72; Jim Keohane 72. Pin shots: Mike Priester #3, 6'4"; Bill Hutchison #6, 19'6"; Regis Kolasa #11, 9'5"; Al Foley #14, 3'10". Low gross: Bill Hutchison 78; Norman II 80; John Kokaska 82; Bob Donaldson 83; Ralph Ferrera 83.

Island Green

South Strand Veterans/Elks - Holly/ Tall Oaks. Low net. A Flight: Roger Cusson 69; Charlie Beckwith 71; Norm II 72; Buck Hunter 72; Doug Williams 74. B Flight: Ernie Gonzales 68; Bob Berthiaume 70; Jim Zimmerman 71; Bob Sullivan 73; Don Sajecki 74. C Flight: Sterling Yocom 67; Harry Andreae 68; John McCarthy 68; Turk Lefever 70; Jack Ruel 70. D Flight: Jim Keohane 67; Don Snider 70; Al Undly 71; Larry Miller 72; Robert Lodeski 73.

Long Bay Club

Ya-Ya's - Modified Stabelford. Joann Piwowarski +14; Toni Ann Cea +11; Mary Kay Draper +10.

Long Bay Sand Blasters: - Two-man teams, modiford stabelford. Sam Angilella/ Pete Scofide +18; Roy Betsill/ Dick Howell +15; John Barnes/ Hap Herkloz +14; Bob Longo/ Tom Holland +12; Butch Piwowarski/ Ernie Dionne +12; Ben Bonvie/ John Stokley +11; Bill Hunt/ Bob Chlebnikow +9; Tim Young/ Ron Taylor +6; Tom Byington/ Bill Commerford +4; Jim Oakes/ Bill Pintinelli even; Joe Ferlauto/ Bill Keckley-6. Closest to pin: Bob Chlebnikow #5.

Meadowlands

Meadowlands Missfits - Low gross: Mary Jane Labant 89; Janis Ortmeyer 89. Low net: Linda Jones 66; Anna Hackathorn 67. Low putts: Dolly Mott 28. Birdies: Susan Rousch #2; Dolly Mott #5; Wilma Arnsdorff #15; Eileen Reddy #15; Joan Montour #17. Chip-ins: Bette McMarrow #1; Dolly Mott #5; Chris Dick #14.

Myrtle Beach National

Myrtle Beach National Ladies - West. Low-low-low. Flight A. Low gross: Liz Cummings 85. Low net: Mary Jane Reblin 60. Flight B. Low gross: Marjorie Bates 95. Low net: Beth Seib 69.

Myrtle Beach National Ladies - Kings North. Par 4s, ½ handicap. A Flight. Gross: Heidi Cherry 50. Net: Liz Cummings 43.5. Putts: Kathy Parodi 28. B Flight. Gross: Anita McDonald 52. Net: Judy Spjut 46.5. Putts: Marjorie Bates 37. Closest to pin: Pat Coggins. Birdies: Pat Gurley #8; Anita McDonald #7, #8. Chip-in: Anita McDonald #16.

Myrtlewood

Myrtlewood Senior Men - White, gold and red tees. First Flight. Low gross: Bob Pahmeier 78. Low net: Albie Tkacz 66; Fred Ibbitson 68; Ralph Moose 69. Second Flight. Low gross: Paul Kopack 85. Low net: John Adduce 69; Bill Witter 70; Ed Munns 71.

Myrtlewood Ladies - Pine Hills. Throw out worst 3 holes, revert to par 80 percent handicap. First Flight: Shirley Ibbitson 68; Edna Karthaus 69. Second Flight: Linda Kraeft 62; Dot Miller 64. Third Flight: Alice Kotalik 64; Joan Smith 70. Fourth Flight: Dottie Cunha 82; Tere Stonefield 83. Chip-ins: Betty Moulin #7; Shirley Ibbitson #18. Birdies: Betty Moulin #7; Alice Kotalik #4; Carol Petrie #4.

Myrtlewood Ladies - Nassau, Palmetto Course. First Flight. Front: Carol Petrie 33.2. Back: Sue Davis 33.5 Total: Mary Gover 69. Second Flight. Front: Betty Moulin 32.5. Back: Shirley Ibbitson 33. Total: Helen Mastic 69. Third Flight. Front: Jean Lynch 37. Back: Jan Kuhfahl 34. Total: Joan Smith 72. Fourth Flight. Front: Alice Kotalik 34.5. Back: Bea Truex 31.5. Total: Ann Sala 69. Chip-ins: Linda Kraeft #18; Sumiko Sherwood #16; Millie Michael #12; Helen Mastic #14; Bea Truex #15.

Scrambling Jents - Pine Hills. Net ball. Ray Keuper/ Jack Daisey 59; Bob Grey/ Need Daugherty 62.

Ocean Ridge

Ocean Ridge Men - Lion's Paw. 3-2-1. Bill Johnston/ Bob Larkin/ Joe Neal/ Rich Atkinson 162; Stan Mays/ Greg Kent/ Ted Pounds/ Carl Schuster 163; Phil Harrington/ Dick Ernst/ John Powers/ Clyde Crowl 164; Doug MacDonald/ Alex Brooker/ Brownie Cordell/ Don Rowland 165.

Ocean Ridge Couples - Tiger's Eye. One net score from each couple per hole. Kurt Lindstrom/ Skip Lindstrom/ Glenn McLellan/ Judy McLellan-23; John Hill/ Joan Hill/ Bill Johnston/ Linda Johnston-21; Al Keegan/ Judy Keegan/ Pete Seelos/ Barb Seelos-19; Phil Larson/ MaryLou Larson/ Joe Neal/ Frankie Neal-18; Jack Fallon/ Kathy Fallon/ Richard Krahl/ Erma Krahl-17.

Pawleys Plantation

Pawleys Plantation Ladies 18 Holers - Flight 1. Low gross: Bev Stikas 91; Kathy Judge 91 m/c. Low net: Dianne Kwiatkowski 75; Denise Talbert 75 m/c. Flight 2. Low gross: Nancy Arkin 102; Kathy Sullivan 108. Low net: Carol Finley 71; Annette Sweeney 75. Chip-in: Dianne Kwiatkowski #3. Birdies: Nikki Rutter #2, #13; Denise Talbert #14; Bev Stikas #17.

Pawleys Plantation LGA - Texas Scramble on front 9 with two low net of foursome; regular game of two low net of foursome on the back. Peggy Kastner/ Carrie Humphreys/ Nancy Rogers/ Carmen Sutcliffe 109; Lila Lee/ Ceal Nelly/

Kathy Sullivan/ Annette Sweeney 118. Birdie: Lila Lee.

Prestwick

Prestwick Ladies 18 Holers: - Tennessee Waltz. D. Connolly/ Ann Cotton/ E. Goroski/ Pat Mariano 139. Chip-ins: Ann Cotton #6; Dana Lichty # 2.

Prestwick Ladies 18 Holers: - Par 4s. First Flight: Pat Calder 41.5. Second Flight: Thelma Thiele 44. Third Flight: Vicki Alger 46. Chip-in: Elaine Miller.

Prestwick Men's Golf Assocation - Best two balls of four. Ron Campus/ Jack Heron/ Bruce Porter/ Ed Schwarzenbach-17; Nick Mariano/ Al Shoop/ Don Winter/ Bob Zawtocki-16; Tom Honeck/ Bob King/ Bill Presley/ Bob Young-8. Closest to pin: Bob Young #8; Don Winter #13.

River Hills

River Hills (Ladies) - Gross over ½ handicap. Judy Piana; Alice Griggs; Judy Burgess; Judy Wright; Lorraine Leslie.

Sea Gull

Retired Military/Veterans - Low net. A Flight: Rosie Stoner 62; Larry Hollenbeck 69; Ron Crooks 72. B Flight: Jim Speanburg 61; George Taylor 64; Don Warner 69.

Sea Gull Men's League - A Flight. Low gross: Roger Bryne 80. Low net: Dave Atkinson 71; Sam Meli 73. B Flight. Low gross: Mike Connelly 86. Low net: George Tkach 70; Don Schruhl 73. C Flight. Low gross: Fred Branscome 98. Low net: Bob Kopchains 66; John DeMauro 69. Closest to the pin: Dave Atkinson #3; Herb Herrman #5; Ed Dickerson #16.

Thistle

Tidewater Tides - Three low nets. Bob Gerken/ Jim Riley/ Larry Powell/ Hank Zande-21.

Tidewater

Tidewater Tides - Individual progressive. Andy Bruce +9; Peter Delich +7; Howie Slason +4; Rick Goudy +3; Dan Beckman +1; Daulton Riggsbee +1; Maris Lidecis even. Low gross: Peter Delich 74; Rick Goudy 77.

Tradition Club

Tradition Ladies Golf League -

Doubles match play. Pat Damato/ Maureen Lempert def. Joan Sheldon/ Debbie Massie 2 & 1; Bobbie Fleiss/ Margaret Collins def. April Kuruc/ Patsy Roberson 3 & 2; Rachel Coletti/ Suzanne Connell all square Linda Lehmann/ Susan Ebbitt; Meg Maguire/ Fay Donovan def. Betty Ruff/ Pat Kemper 1 up; Suzanne Strasser/ Marsha Smith def. Elma Dimona/ Ginni Swenson 1 up; Clare Kelly/ Barbara Nuding def. Veronica Bucello/ Audrey Baker 8 & 7; Clair White/ Dottie Kelly def. Nancy Malara/ Dani Jennings 2 & 1. Birdies: Joan Sheldon #10; Margaret Collis #7, #10. Chip-ins: Pat Cocuzza #16; Suzanne Connell #10; Betty Ruff #4; Dani Jennings #4.

Tradition Men's Club - Texas Scramble using two low nets. A Flight: Tom Swanson/ Dick Culver/ Ron Brugge/ Martyn Collis-27; Charlie Malara/ Jim Pearson/ Ed Sheldon/ Pete Mohan-26; Dave Gould/ Tom Strasser/ Chuck Swenson/ Tom Cardea-26. B Flight: Rich Peterson/ George Baker/ Dale Guzlas/ Jim Davis-31; Kevin Fenlon/ John Migas/ Paul Kelly/ Jack Shriver-31; Jim Conway/ Bill Kendall/ Jack Starrick/ George McKenna-30. Closest to pin on Martyn Collis #2; Dick Culver #5; George Majorossy #12; Jim Massie #15.

Tradition Golf Club - Gold tees, 9 holes, captain's choice. Front tees: Jim Conway/ Vince Franco/ Chet Confer/ Jerry Parks 35; Moe Blais/ Jim Davis/ Bill Kendall/ George Majorossy 34. Back tees: Dick Albright/ Walt Murren/ Jack Seibert/ Bob Thompson 35; Rich Becker/ Lou Fossi/ Ernie Sementilli/ Jeff Sturm 35. Closest to pin: Ed Shelton #2; Elloit Dodson #5.

Wachesaw East

The WImps - Three best ball. Bob Hesterfer/ Glen Neumann/ Dave Junco/ Dick Stolz-22; Joe Loose/ Paul Herman/ Bob LaSalle/ John Jophnson-16; John Midura/ Larry Heroux/ Bruce Besemer/ Bud Sylvester-10. Low gross: Paul Herman 83. Low net: Dick Stolz 64.

Whispering Pines

Loomis Gang - One ball par 5s, two balls par 4s, three balls par 3s, gross. Front nine: Larry Gehman/ Bill Hutchinson/ Joe Reagan/ John Eroszonak +3. Back nine: Rich Galves/ Jim Fye/ Harry Butler/ Shawn Butler +6. Overall: Larry Gehman/ Bill Hutchinson/ Joe Reagan/ John Eroszonak +14.

Whispering Pines Women - Reduce one hole to par each side, full handicaps. Gaye Cox 57; Judy Wood 59; Sandy Revere 61; Carolyn Makely 65. Birdie: Judy Wood #3. Chip-in: Gaye Cox #8.

Whispering Pines Men's Group - Individual low net. A Flight: Don Mims 66; Jim Hall 66; Charles Evans 66. B Flight: Fred Petruzzello 64; George Tierney 69; Al Siberini 70. C Flight: Walt Baughman 65; Gary Myers 66; Dan Weinfurther 70. Pin shots: Bob Catton #11, 20'4"; Rob Dixon #11, 34'; George Tierney #17, 8'2"; Al Siberini #17, 11'1".

Retired Military/Veterans - Low net. A Flight: Larry Hollenbeck 66; Ralph Caiazzo 73; Ron Crooks 74; Gene Watroba. B Flight: Howard Hefner 61; Jim Speanburg 64; Walter Bohm 67; Don Warner 67.

Wild Wing

Woodstorkers Wednesday League - Falcon. Two-man teams, low team net. Front: Don Samsel/ Tom Proffitt 68; Ken Van Slaars/ Chuck Connors 70. Back: Len Rodwell/ Joe Martin 72; Dave Williams/ Ron Tatum 73. Individual low net: Len Rodwell 69; Don Samsel 73. Individual low gross: George Treanor 85; Bob Budner; Len Rodwell 90. Closest to pin: Ken Van Slaars; Bob Budner; Len Rodwell; Ron Tatum. Skins: Tom Proffitt; Bill Thorp; George Treanor 2; Len Rodwell; Dave Williams 2; Ken Van Slaars.

Malinowski's Mobsters - Woodstork. Individual, quota system, 18 holes. Bryan Edwards +12; Rick Borkowski +10; Bill Kyle +2. Low gross: Rick Borkowski 76; Bryan Edwards 76. Low net: Bryan Edwards 61.

Malinowski's Mobsters - Falcon. Three-man teams, quota system, 18 holes. Bill Kyle/ Paul Edmundson/ Don Bates +6; Jim Smith, Sr./ Joe Roy/ Bob Zellhart-2. Low gross: Bill Kyle 86; Bob Zellhart 86. Low net: Bill Kyle 67.

Malinowski's Mobsters - Hummingbird. Individual, quota system, front nine holes (rain). Bill Kyle +2½; Jim Smith, Sr +½; Jim Smith, Jr even; Bob Ruggeri even.

Executive Women's Golf Association-Woodstork. Most net pars or better. Pegy Harkey 13; Peg Lawrence 12; Janet Ebert 11.

INDOOR SHOOTING

Myrtle Beach Indoor Shooting Range

High overall - Greg Queen; Open revolver - Greg Melson; .22 automatic - Greg Melson; .22 revolver - James Vaught; Sharpshooter automatic - Farris Hunt; Expert automatic - Greg Queen; Master automatic - Chunk Merrian; Sharpshooter revolver - Greg Queen; Expert revolver - James Vaught; Master revolver - Greg Melson; Westeren fast-draw - James Vaught; .22 rifle - Joe Hill; Employee shoot-off - Steve.

TENNIS

Grande Dunes Adult Spring Classic

Men's Open Singles (Final Round) - Parker, Drew Greenville, SC def. Handl, Vlad (1) Pawleys Island, SC 6-4; 7-5

Men's Open Doubles (Final Round) - Parker, Drew / Parker, James def. Elgner, Tino / Handl, Vlad 2-6; 6-2; 6-3

Men's 45 Singles (Final Round) - French, Robert (1) Columbia, SC def. Hays, Lee Saint Charles, MO 5-4 Ret (inj)

Men's 50 Singles (Final Round) - Moldoch, William (1) Annapolis, MD def. Vick, John Lexington, SC 6-0; 6-0

Men's 55 Singles (Final Round) - Dowd, Henry Irmo, SC def. Jagger, William (1) Pawleys Isl, SC 7-6; 6-4

Men's 60 Singles (Final Round) - Loftis, Doyle (2) Chapin, SC def. Goodrich, Bud (1) Camden, SC 6-3; 6-4

Men's 65 Singles (Final Round) - Carlsen, Victor Hilton Head Island, SC def. Wardman, Richard (1) Myrtle Beach, SC 6-3; 6-7; 6-2

Men's 70 Singles (Final Round) - Bailey, James Wilmington, NC def. Culik, Karel (1) Chapin, SC 6-2; 6-0

Men's 80 Singles (Final Round)-Jolly, Bill Denmark, SC def. Prince, Harold Clinton, SC 6-1; 6-1

Women's 35 Singles (Final Round) - Grullon-Mincey, Anna Silvia Myrtle Beach, SC def. D'italia, Geri Mt Pleasant, SC 7-5; 6-1

Women's 55 Singles (Final Round) - Mccoll, Betsy (1) Columbia, SC def. Taylor, Shirley Murrells Inlt, SC 6-2; 6-0

Men's 40 Doubles (Final Round) - French, Robert / Myers, Milton def. Emery, Dana / Jones, Michael 6-2; 6-3

Men's 50 Doubles (Final Round) - Moldoch, William / Sachs, Robert (2) def. Luffman, Junior / McHone, Mike (1) 6-1; 6-2

Men's 55 Doubles (Final Round) - Gildemeister, Federico / Snook, Graham def. Jagger, William / Sachs, Robert 6-3; 6-4

Men's 60 Doubles (Final Round) - Goodrich, Bud / Loftis, Doyle def. Lester, Richard / Mack, John 6-3; 2-6; 6-3

Women's 45 Doubles (Final Round)-Battle, Susan / Huggins, Cynthia def. Foster, Jane / Mccoll, Betsy 6-4; 6-3

Mixed 25 Doubles (Final Round) - Graham, Chris / Shelley, Betty def. Connor, Shirley Anne / Narla, Susheel 2-6; 6-2; 6-2

Mixed 55 Doubles (Final Round) - Gildemeister, Federico / Siler, Wanda (2) def. Hall, Cindy / Robinson, Ronnie (1) 6-1; 6-1

Mixed 65 Doubles (Final Round) - Taylor, Shirley / Wardman, Richard def. Brown, Larry / Rapp, Susan 6-3; 6-3

NTRP Men's 3.0 Singles (Final Round) - Lucas, Robbie Myrtle Beach, SC def. Duvall, Ged (3) Conway, SC 6-3; 4-6; 6-2

NTRP Men's 3.5 Singles (Final Round) - Kitagaki, Hiroshi Charleston, SC def. Barr, Bret Myrtle Beach, SC 6-1; 6-0

NTRP Men's 4.0 Singles (Final Round) - Sergan, Steve (3) West Columbia, SC def. Lambert, Ervin (1) Andrews, SC 6-2; 4-6; 6-4

NTRP Women's 4.0 Singles (Final Round)-Dempsey, Deborah (2) Myrtle Beach, SC def. Livingston, McCuen (1) Pinewood, SC 6-4; 6-4

NTRP Men's 3.0 Doubles (Final Round) - Estep, Fred / Reames, Spann def. Stynchcomb, Stephen / Trask, Val (1) 4-6; 6-4; 7-5

NTRP Men's 3.5 Doubles (Final Round) - MERRY, JEFFREY / Peterson, John (1) def. Chestnut, Earl / Szurley, Raymond (2) 7-5; 6-2

NTRP Men's 4.0 Doubles (Final Round) - Harrelson, Greg / Saless, Mike (1) def. Finger, Jeremy / Kimbell, Jimmy 7-6; 6-7; 7-5

NTRP Women's 3.0 Doubles (Final Round) - Dinkins, Jennifer / Peterson, Angie (1) def. Berkey, Gayle / Pickering, Heather 4-6; 7-5; 6-0

NTRP Women's 3.5 Doubles (Final Round) - Conrad, Patti / Richardson, Donna (2) def. Bates, Katherine / Moran, Cynthia (1) 6-3; 6-2

NTRP Women's 4.0 Doubles (Final Round) - Bradshaw, Lola / Livingston, McCuen (2) def. Mcelveen, Lynn / Windham, Cheryl 7-6; 6-2

NTRP Combined Mixed 7.0 Doubles (Final Round) - Caponiti, Montaree / Sullivan, William def. Dinkins, Jennifer / Merry, Jeffrey (1) 6-4; 4-6; 6-4

NTRP Combined Mixed 8.0 Doubles (Final Round) - Lambert, Ervin / Trask, Bonnie (3) def. Barr, Tonya / Saless, Mike (1) 6-1; 7-6

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HEADLINE: Modern casinos and the future of Las Vegas

ANCHORS: NEAL CONAN

BODY:

NEAL CONAN, host:

This is TALK OF THE NATION. I'm Neal Conan, broadcasting today from the Desert Research Institute, home of the Atomic Testing Museum in Las Vegas, Nevada.

(Soundbite of applause)

CONAN: We're here at the invitation of Nevada Public Radio and the Las Vegas Centennial to help celebrate the 100th birthday of a city whose skyline is part Paris, part Manhattan and part theme park, and all Las Vegas. Architecture here is a competitive sport, a critical part of the cutthroat competition to attract people into this building rather than that one. The newest yardstick is the $2.7 billion Wynn Las Vegas megacasino, which opened just two weeks ago.

(Soundbite of traffic)

JAY: Oh, it's fantastic. I'm staying down at Caesar's, but I wanted to come and see what all the buzz was about. That whole shop area, it seems like it's got everything.

MICHAEL: At $2.7 billion, it should be pretty nice, huh?

LUCRETIA: And if we had left without seeing this, we were going to get chewed out...

SHARON: That's right.

LUCRETIA: ...by our friends.

SHARON: I have friends back home that said, you know, 'You have to go to the Wynn.' Because we vacation here, like, every other year, so they said, 'How is it?' 'Ooh, it's nice!'

LUCRETIA: We got pictures, we got pictures.

MARVA: It's very soothing in the sense of—because of the garden, the flowers when you walk in. Not that I've been to Japan, but when you see pictures of Japan and all the different flowers that are out—and so it kind of gives that feeling to me.

(Soundbite of background music)

CARL: I'm from Europe. I'm from Paris. I think Las Vegas is catching up or is better than Paris for tourists, really. It's a lovely building. I think it's amazing.

CONAN: Jay from Pasadena, California; Michael from Washington State; Lucretia and Sharon from Henry, Illinois; Marva from Los Angeles; and Carl from Paris, France.

Today's casino has come a long way from frontier gambling halls, neon cowboys; a long way from Elvis and the Rat Pack, too. These days, the people behind the glitz are often MBAs. Ivy-League economists use mathematical models

to maximize profits for publicly traded companies whose shares might even be in your stock portfolio. The buildings themselves are precisely planned so that every cranny, carpet pattern and odor is calculated. Of course, you can't take the element of chance out of the games themselves, but casino planners, designers and engineers do everything they can to remove risk from every other facet of the business.

Later on in the program, Las Vegas Mayor Oscar Goodman will join us to give us his vision of the future of Las Vegas. But first, as America's attitude towards gambling changes, so does the modern-day casino. If you're in the business of planning, building or designing these megastructures, give us a call. We'd also like to hear from those of you who have visited casinos in Las Vegas and elsewhere. What works? What doesn't? Our number is (800) 989-8255; that's (800) 989-TALK. The e-mail address is totn@npr.org.

Bo Bernhard joins us now. He's director of gambling research at UNLV, the co-author of an article called Maverick to Mafia to MBA.

And it's nice to have you on TALK OF THE NATION.

Mr. BO BERNHARD (Director of Gambling Research, UNLV): Nice to be here.

CONAN: Well, speaking of maverick to MBA, your family history kind of parallels all this development.

Mr. BERNHARD: We sort of epitomize that element. I'm, in fact, a fifth-generation Las Vegan, which makes me statistically a bit weird.

CONAN: Unique, you might say.

Mr. BERNHARD: Yes. Yes. My great-great-grandfather was a fellow by the name of Kid Jordan. They don't even have names like that anymore. Kid Jordan was a cowboy type who got chased out of Texas because he was running illegal casinos out there. He came out to Las Vegas—we had legalized in the '30s; most recently—we've legalized gambling three times, in fact—and knew he could get work out here. Along the way, the family legend goes, he stopped off in New Mexico, where he shot the sheriff, so my life is like a Bob Marley song. And no word on the stats of the deputy. But on his way out here, he got into quite a bit of trouble. But Las Vegas accepted him. And in that way, Las Vegas was sort of the Australia of the United States...

CONAN: Well, what do you...

Mr. BERNHARD: ...in that this is where we sort of sent our convicts. And I say that affectionately. I said this, in fact, in a lecture in Australia I gave last year. But it was where people like Kid Jordan could be accepted and find work in what was then a very deviant occupation. And so, yeah, he was an individual that fit, in those days, in a deviant locality.

CONAN: Well, in those days, it was the gambling hall, a glorified saloon, in a way, I guess.

Mr. BERNHARD: Yeah, saloon. Right.

CONAN: How did the gaming floor evolve?

Mr. BERNHARD: The gaming floor looked very different back then. When you think about the gambling saloons, they were very much table-game-oriented, very sort of social environments. And, in fact, when you look at today's casino floor, we've seen what we might call sort of a post-industrial deforestation effect, whereby these machines have sort of encroached upon lands formerly occupied by these tables, which are sort of an endangered species that are being sawed down and hauled off despite this recent poker boom, and this machinization has really changed the face of the casino, if you will.

CONAN: Hmm. As these machines take over, I mean, it—one thing that is sort of sad is to walk through a casino and see a lonely blackjack dealer at a table where there's nobody playing. But people, seem to me, are critical to the operation of—well, we always call it gaming; gambling is what they're doing there. But do people—when they come into a casino, do they want to interact with a person, or do they want to enter some sort of zone?

Mr. BERNHARD: I think it depends. Certainly, some people like to recreate sort of alone with the machines. The social scientist Robert Putnam wrote a best-seller a few years back called "Bowling Alone," you might remember, which suggested this isn't just true of gaming; this is true of recreation more broadly speaking. We tend to engage in interaction with machines more often, in more isolated recreational activities, and gaming is no exception. We're seeing machines becoming an increasingly important component of the casino floor. That's not to say, certainly, that the more people-

oriented games aren't important anymore, and certainly this recent poker boom may be an exception to this sort of machinization process.

CONAN: Well, you've talked about the maverick period, and I guess we all—we watch the movies, so we know a little bit about the Mafia period. When did the MBAs come into it?

Mr. BERNHARD: Well, certainly, you can look at the current leadership in a lot of the different major casino companies. Somebody like Gary Loveman Perez is a former Harvard Business School professor. Somebody like Steve Wynn is a Wharton grad. Glen Schaeffer graduated from the Iowa Writers' Workshop. I think Terry Lanni, who's CEO of MGM Mirage, could have been CEO of anything. So increasingly we're seeing, with this recent generation, people who, quite frankly, could be operating any business in America. We're seeing that over at the university level across the street here, where a number of general managers of casinos here locally are coming back to school for master's degrees and PhDs because they see that as a necessary credential to operate tomorrow's casino.

CONAN: If you have questions about the casinos of today or tomorrow, their design, what they're doing to separate you from whatever's inside your wallet, our number is (800) 989-8255; that's (800) 989-TALK. Our e-mail address is totn@npr.org. We're also getting questions from people here in the audience at the Desert Research Institute. Why don't we begin there.

Ms. SUSAN REYNOLDS (Audience Member): Hi. Thanks. My name is Susan Reynolds and my question is: What sort of impact was there on the Las Vegas community when the casinos changed from family run to corporate run?

Mr. BERNHARD: That's a good question, and—I'm sorry, this is Bo Bernhard.

CONAN: That's...

Mr. BERNHARD: A lot of—when—in being—in thinking academically about Las Vegas, you have to sort of separate myth from reality. A lot of us think that the sort of family oriented period was perhaps overblown, was more a media creation than it was, in fact, something that was enacted in casino operations up and down the Strip. But, certainly, in a recent period of expansion—the MGM Grand, for example, when it opened, had a full-fledged theme park in the back yard. And what's happened is I think we've recognized that our core audience isn't the Disneyland crowd, it's the adult Disneyland crowd, and that, in fact, those are the individuals that we're targeting today.

CONAN: Let's get a caller on the line, and with us is Kim. Kim's calling from Ithaca, New York.

KIM (Caller): Hi. I had my first trip to Las Vegas a couple years ago, and I didn't do any gambling but I had a great time. My favorite things were the fountains at the Bellagio, and there's a ride called the Big Shot at the top of the Stratosphere Hotel and Casino, and the Stratosphere is a really tall building already, and then this ride, the Big Shot, just shoots you up even higher up into the air. And the way the ride is designed, you don't see the thing that you're sitting on, and so you feel like you're a bird. You really feel like—I mean, you have an eagle's-eye view of Las Vegas and the surrounding area. It was amazing.

CONAN: Hm. You came to Las Vegas and you didn't gamble.

KIM: I did put one quarter in a slot machine, just to say I had done it. It was just amazing.

CONAN: And were you a winner?

KIM: No.

CONAN: Ah.

KIM: Not a winner.

CONAN: Shock.

KIM: But I had a great time. It was really a great ti—we also got to see the Smothers Brothers and a couple of—they had some really low-priced shows. You can get lunch and, you know, a variety show for 12 bucks a person. It was amazing. We had a great time.

CONAN: Kim, thanks...

KIM: It was two adults, just a few days, but well worth the trip.

CONAN: Thanks, Kim, very much.

And, Bo, isn't what—Kim talking about sort of the theme park—that was one of the great innovations of Steve Wynn to attract people here for the attractions, not just the gambling.

Mr. BERNHARD: Sure. And it's also, I think, a metaphor, more broadly, for what's happening on the Las Vegas Strip. Every time one of these places opens, it's like opening a new ride at Disneyland. And it might sound weird for people around the country to hear about this sort of nostalgia, but growing up in this town, every time there was a new megaresort opening, this was a big event. These were big deals for us. And so this recent opening of Wynn Las Vegas was something that was very meaningful for all of us.

CONAN: Well, joining us now is Jan Jones, senior vice president of communications at Harrah's Casino Hotels. We're hearing about Steve Wynn, who's one model; another is Gary Loveman, the brains behind Harrah's and its great success. He's less well-known.

Ms. JAN JONES (Senior Vice President of Communications, Harrah's): Well, less well-known in different circles.

CONAN: Well...

Ms. JONES: Gary's sort of a novelty in the gaming industry because it's counterintuitive to expect a Harvard professor to be running a casino.

CONAN: And an MIT-trained guy who has taken a different approach towards making his casinos a success. Harrah's—you don't want to say it's a little—not as glitzy as some of the other hotels, let's put it that way.

Ms. JONES: You know, I think that Harrah's was always gambling-centric, but Gary's approach is customer-service-based. And if you go back historically, Bill Harrah built his entire business on customer service. What Gary Loveman has done is take loyalty programs and managing relationships, rewarding your best customers, and really integrated it into the whole philosophy of the gambling experience. So it's not really different; it's just more exact.

CONAN: And one of the things he does—I'm afraid there's just a few seconds left in this segment. But one of the things he does is track every activity that everybody does in the casino.

Ms. JONES: No. What he does is, if you are part of the loyalty program...

CONAN: Ah.

Ms. JONES: ...he tracks what you do as a customer so he can determine—it's not Gary can determine; the company...

CONAN: Right.

Ms. JONES: ...can determine: What is it you like? Did you—are you incented by rooms? Do you prefer buffets? Is—you know, what—the same way that loyalty programs with airlines, Neiman Marcus understand their customer, Harrah's has made a science of understanding their customer so that they can reward a customer with amenities that are meaningful to them.

CONAN: We're talking about today's casino experience out on the Strip. You can risk your money in the opulence of Italy or in the Pyramids of ancient Egypt. Where does the industry go next? If you're a casino fan, what do you want to see next? (800) 989-8255, if you'd like to join us. We're going to take a short break.

I'm Neal Conan live in Las Vegas. It's TALK OF THE NATION from NPR News.

(Soundbite of music)

CONAN: This is TALK OF THE NATION. I'm Neal Conan.

(Soundbite of applause)

CONAN: We're broadcasting today from the auditorium at the Desert Research Institute in Las Vegas, Nevada. With the rise of riverboat and Indian casinos, gambling is an increasingly national entertainment, but the Strip just gets more sophisticated. Las Vegas remains the mecca. Today we're talking with experts about what goes into the creation of today's highly orchestrated casino experience. Of course, you're invited to join the conversation. If you're a casino frequenter, what would your dream casino have, other than looser slots or maybe better odds? Our number is (800) 989-8255; (800) 989-TALK. Our e-mail address, totn@npr.org. Our guests with me here are Bo Bernhard, director of gambling research

at the University of Nevada at Las Vegas, and Jan Jones, senior vice president of communications for Harrah's Casino Hotels.

And let's begin with a question from the audience here in Las Vegas.

Mr. DON TEMEER (Audience Member): Hi. Don Temeer, and I have a question about casino economics. How long will it take Steve Wynn to pay off that $2.7 billion?

CONAN: (Chuckles) Well, Jan, you work for the competition. I don't know; what would you guess?

Ms. JONES: Well, it's interesting; my money is always on Steve. I think he's perfectly brilliant. And I think the estimates are that he has to make $3 million a day to service his debt. I expect he'll make that and more. How long and whether he's even worried on paying off his debt as his major goal, I don't think, is the question. I think the question is, will Steve be extraordinarily successful? And I think the answer to that is yes.

CONAN: Do you see him as a competitor or as a partner?

Ms. JONES: Steve's a partner. Steve—you have to understand. In 1989, when he envisioned the Mirage, there was nothing that was close. It was a billion-dollar property and everybody bet that he could not succeed. It took a million dollars to service his debt then. And he proved everybody wrong, because he showed the competition people want more. They want attractions. They want food. They want shopping. He's what drove the change from gaming revenue to non-gaming revenue as the biggest percentage of money coming into the Las Vegas Strip. So when he brings the level of entertainment to a higher standard, he brings in more tourists and more people that understand that gaming is sport, gaming is fun. People come to Las Vegas because they have a good time. They don't come to Las Vegas because they think they're going to strike it rich. And Steve plays on that emotion and teaches all of us how to better manage our customer relations and better manage our customer experiences, in my opinion.

CONAN: Bo?

Mr. BERNHARD: I agree with Jan. I think it'd be difficult to overemphasize the importance of the Mirage opening in 1989, and we've heard the story of how that transformed the Strip into more of a megaresort-oriented street. But it also changed more broadly what the community aspired to be and what we sort of shot for in terms of what we were selling to the broader population. And, not coincidentally, that was the point at which Las Vegas really took off in terms of the population and the economy.

CONAN: Let's get another caller on the line. This is Rita. Rita's with us from Tulsa, Oklahoma.

RITA (Caller): Yes. Thank you. I just was curious to know what impact, if any, the widespread casinos, Indian-operated casinos, is having on Las Vegas—if it is having any impact. The casinos here in and around Tulsa are burgeoning; a 150-room hotel opened up six months ago at Catoosa, Oklahoma, which is a suburb of Tulsa. An 18-hole golf course is adjacent to it. Every amenity you can imagine, including the high-end restaurant steakhouses and non-smoking—entire sections of it non-smoking—I just think they have got to be having some impact on Las Vegas.

CONAN: Rita, you were talking; you couldn't hear the chuckles over the idea of a 150-room hotel, when a 5,000-room one just opened...

RITA: No, but that's just Oklahoma with a population...

CONAN: I understand, but I was just trying to explain to people why they were hearing laughter there. Bo, are they—it's not just in Oklahoma, of course. There are big Indian casinos in California, New York—What is it?—gambling of some sort or another is legal in 40 states now?

Mr. BERNHARD: Forty of the 50 states have some form of legalized gambling. I want to say to Rita, too, we actually are giving classes right now across the street at UNLV that are beamed to Catoosa for gaming operations management.

RITA: Oh.

Mr. BERNHARD: This still remains sort of a mecca, I think, of gaming education. But more broadly, a lot of people wondered, when gaming expanded as it did across the United States, is this going to hurt Las Vegas? And one school of thought was that people were going to be able to go around the corner and gamble, and this would really hurt Las Vegas. Another school of thought held that this would, in fact, benefit Las Vegas because it would expose more people to gambling. More people would see how much they could enjoy the gambling activities and, in fact, more people would

want to visit the so-called mecca of gambling here in Las Vegas. The latter theory has, I think, been proven to be true here.

CONAN: Jan?

Ms. JONES: You really see that. Harrah's manages five Indian casinos, and what you find—and a number of riverboats and racinos across the country. As people are exposed to gambling entertainment, they find they like it. It's a night out. And so it doesn't begin to compete. It builds the market. I mean, you've seen it when Atlantic City opened. Everybody said, 'This is the end of Las Vegas.' It just grew Las Vegas. When Mississippi and the Gulf Coast opened, they were worried that that would erode. The Indian casino in North Carolina—and I find this fascinating—is the number-one tourist destination in all of North Carolina, which is fascinating, but it's because of the experiential aspects, not just because of the gambling.

CONAN: Business models aside, what does it take to conceive, design and execute today's highly orchestrated casino experience? Architect Brad Friedmutter should know. He started working with Steve Wynn. He's been in the business of designing casinos for 30 years now. His latest project is the Red Rocks Station, an $800 million casino-resort that's in the work right now.

Brad, thanks very much for being with us.

Mr. BRAD FRIEDMUTTER (Casino Architect): Thank you.

CONAN: What is it like to have the opportunity to spend $800 million?

Mr. FRIEDMUTTER: Well, it's quite exciting in terms of architecture, and I've been in this, as you pointed out, for many, many years. And the budgets are extreme, and also the time frame in which they're done is extremely fast. Projects of comparable size and economics usually take two, three, four, five times as long—many, many years. This type of money is spent within, usually, a 24-to a 36-month time frame.

CONAN: Designing a casino has to be really different from building an office building or even a normal hotel.

Mr. FRIEDMUTTER: Yes, quite different. An office building usually is built by a developer and then leased out to different tenants. The hotel itself has, generally speaking, a different occupancy in the type of customer that comes to it. The hotel-casino, with entertainment, with restaurants, with sports and all the related facilities, is quite different because of the integration and complexity between each of the departments. The hotel caters to customers, as well as its own sales: convention sales, etc. The relationship of all of these things is critical. The synergy and proximity—you don't want to have things too spread out. Naturally, when you start to have 3,000-and 4,000-room hotels, it does take on a bit of a trek at times.

CONAN: Mm-hmm. And were we right at the beginning when we said everything is calculated, down to the smell?

Mr. FRIEDMUTTER: Yes, but again, it's calculated, but there has to be adjustments, because at the end of the day, it's what the market says, what the market does. It's totally market-driven. What you think might work—there's a delicate balance of tried-and-true and working outside the box. When you start to bring those two things together, there's somewhat of an experimentation, and you have to adjust after the public and your customers start to experience it.

CONAN: Mm-hmm. I wonder—one of the, you know, guiding principles we've always heard—and, Jan, you would know about this—about casinos is you don't want—there's no clocks and you don't want to see daylight. You don't want—no windows to the outside.

Ms. JONES: You know, that's really sort of the old perception of casinos. I think if you walk into Bellagio, if you walk into Wynn, if you walk into Mirage, there are a number of outside aspects, because what they learned was, as people are walking up and down the street, you want to incent them to come in, walk through; they don't need to be staying there. You want them to spend some time. So that old perception of no doors, no windows—I mean, you can go into Mandalay and you can go to the Four Seasons and never be in a casino. So it's entirely different today in its design and how they treat the customer.

CONAN: And is it right, Brad, that the casino is just one profit center of a complex?

Mr. FRIEDMUTTER: Yes, absolutely. Years ago, everything else was pretty much loss-leader giveaway. Today, each of the areas, pretty definitely so, is a profit center in and of itself. However, I don't think you could ever lose sight that the main generator still is the casino customer, and that has to be catered to ultimately.

Ms. JONES: And I think that's true, but I think you also have to recognize, in a market like Las Vegas, that 65 percent of the revenues today are driven by non-gaming expenditures. They come from shows; they come from restaurants. You have The Forum, which is the highest-grossing-per-square-foot shopping center in the world. So you can't lose sight that gambling is the core, but it's not all about gambling today; in fact, just exactly the opposite.

CONAN: Let's get another caller on the line. Andrew is calling from Gilroy, California.

ANDREW (Caller): Thanks for taking my call. I enjoy Vegas. I enjoy the bright lights, the gambling, and especially blackjack and the shows. But what I don't like is the smoking. And I wonder if there have been studies done from financial-impact viewpoint regarding the allowance or disallowance of smoking. And I'll just hear your thoughts off the air, off the phone.

CONAN: Well, Brad, is smoking going to be part of the casino you're building?

Mr. FRIEDMUTTER: Yes. At Red Rocks Station, smoking will be part of it. We pay a lot of attention to the mechanical and air circulation to get rid of that smoke. We use very expensive, very sophisticated systems designed by engineers. That cigarette smoke is something you do want to get rid of so that people can smoke, but not bother people next to them.

CONAN: Let's get a question from the audience here.

Ms. LISA WEATHERMAN (Audience Member): Hi. My name is Lisa Weatherman, and I have a question for Brad. Why is the Mediterranean style so prevalent here in southern Nevada, especially since there's not a whole lot of water?

(Soundbite of laughter)

Mr. FRIEDMUTTER: I would say that since people think of going away for two or three days, which is the average stay—when people think at their job, if you're in Chicago, you're in New York, you're in someplace else, it's wintertime, they would really like to go to the Mediterranean, but they can't. And I think when you start to talk about trees and water and suntan lotion and pretty people doing pretty things, the Mediterranean comes to mind. And it's something that people can escape to for a two-or three-day period, and I think it's something that has a commonality amongst design.

Ms. WEATHERMAN: I had one more question.

CONAN: Go ahead, yeah.

Ms. WEATHERMAN: Is there a Las Vegas vernacular? It seems to me like this Mediterranean style is so prevalent, but because Las Vegas is such a unique area, it seems like there would be something more fitting.

CONAN: Is there a term of art for this kind of architecture?

Mr. FRIEDMUTTER: We would probably have to make one up. I think it's desert Mediterranean.

(Soundbite of laughter; applause)

CONAN: You heard it here first.

(Soundbite of laughter)

CONAN: We're talking today about the casino industry, the design of casinos of today and of the future.

And you're listening to TALK OF THE NATION, which is coming to you from NPR News.

Along with gambling, Las Vegas casinos are known for their glitzy shows. We're talking light years from "Showgirls" here. Many of the effects incorporated have gotten so complex that the University of Nevada at Las Vegas has a department devoted to educating the entertainment engineers of tomorrow. Robert Boehm joins us now. He's a professor of mechanical engineering and director of the Energy Research Center at UNLV's College of Engineering.

And thanks very much for being with us.

Dr. ROBERT BOEHM (University of Nevada at Las Vegas): Thank you.

CONAN: As MBA and economists take over casino management, are engineers replacing theater designers?

Dr. BOEHM: Well, I don't know that they're replacing it, but traditionally, these shows have been generated by people

with theater backgrounds. And what has happened over the last, really, 20 years now is these shows in general have become so technical that the theater people need some help from people who know something about the technology. And as a result, we find a lot of companies who have this sort of bifurcated form where they have a theater background as well as engineering.

CONAN: A theater background as well as engineering. Now you have a program with Cirque du Soleil, which has itself four shows here, some in facilities designed specifically for that show.

Dr. BOEHM: Yes. In fact, Cirque is a very good example of a company that has used these high-tech kinds of approaches with the owners of the casinos to give a very educational and entertaining kind of experience all in the same time. You know, a lot of these shows have flying associated with them, human flying. Now human flying goes back to the Greeks. They did it a long, long time ago. But, boy, the way this has taken form in something like the Ka show at the MGM Grand is just amazing, how we have so many people flying so many different directions, doing so many different things. And the stage there, how it rotates up vertically and does all kinds of amazing things—these are the kinds of things that the hotels, I think, find very profitable in appealing to our 40 million tourists, roughly, who come from all corners of the world who—maybe a lot of them can't even understand English, but these kinds of shows speak to them very closely.

CONAN: Yet the competition—I mean, Hollywood movies spending $140 million for special effects; even Broadway theater has got some pretty wow stuff. The competition out here is pretty amazing. What are we talking about in terms of financing one of these big Cirque du Soleil shows?

Dr. BOEHM: Well, it's—I don't know all the prices on them, but they are a very big expenditure. I remember when Siegfried & Roy was placed in the Mirage. It had one of the biggest price tags to that point of any show. And money makes money, and that's what's happening here as we're finding; very big expenditures to achieve these special effects and special-entertainment kinds of experiences.

CONAN: Jan.

Ms. JONES: When they first built Siegfried & Roy, it was a 30-million-dollar theater. When they did Celine Dion, it was a 70-million-dollar theater. And it goes back to how you look at your customer. If you said to Old Las Vegas, 'We're going to spend $70 million for a theater for a performer and it's a good idea,' everybody would have said, 'You're nuts.' But what they understand today is that their customer wants that experience, and it's been very, very successful for Caesar's irrespective of the huge price tag to put it up.

CONAN: Let's see if we can get another caller on the line. And this is Dale in Watertown, South Dakota.

DALE (Caller): Hello. How you doing today?

CONAN: Very well, thank you.

DALE: I was marketing director for Debbie Reynolds Hotel and Casino back in the early '90s, back when Jan was mayor, as a matter of fact, and I thought she was an excellent mayor.

Ms. JONES: Thank you.

DALE: And, you know, we were a block off the Strip, and we tried all kinds of things, but we couldn't get anybody to Debbie's show. And that was pretty much when all the big hotels were opening up and everybody was attracted to the flash and the Treasure Island, the Luxor and all the big ones. And I was just wondering, the smaller hotels nowadays, do they really have a chance with any entertainment, or is everybody going to the big hotels?

CONAN: Well, why don't we put that to Bo Bernhard?

Mr. BERNHARD: I actually just wanted to pointed out that Debbie Reynolds is responsible for perhaps one of the best quotes on the Mafia era of this town when she said that Las Vegas was a much better-run town at that point, and also was found of saying that nobody got killed that didn't deserve killing.

(Soundbite of laughter)

CONAN: And her opinions are her own.

Mr. BERNHARD: Right. Right. But she certainly recognized, you know, the importance of that era.

CONAN: Dale, thanks very much for the phone call. We'll try to bring you an answer in the—after the break when we

return. But appreciate the phone call.

We're talking about the future of hotels, casinos and the Strip in Las Vegas. (800) 989-8255; (800) 989-TALK. Our e-mail address is totn@npr.org.

It's TALK OF THE NATION from NPR News.

(Announcements)

CONAN: This is TALK OF THE NATION. I'm Neal Conan in Las Vegas, Nevada.

(Soundbite of applause)

CONAN: We're broadcasting live from the auditorium at the Desert Research Institute on the campus of the University of Nevada-Las Vegas. In a few minutes, we'll be talking with the mayor of Las Vegas, Oscar Goodman, about the future of this city.

But first, here are some of the headlines from NPR News, stories we're following today. A development from Capitol Hill just now: the fight over John Bolton's nomination to be the next US ambassador to the United Nations is headed to the full Senate for an up-or-down vote. A sharply divided Senate Foreign Relations Committee voted to send Bolton's nomination to the floor, but took the rare move of not actively recommending him. Democrats say they will continue to oppose the confirmation. NPR will continue to cover this story as it develops.

Defense Secretary Rumsfeld says he's prepared a plan to close some military bases, a plan he says will save nearly $50 billion over coming decades. You can hear details on these stories and, of course, much more later today on "All Things Considered" from NPR News.

Tomorrow, it's "Science Friday," and Ira Flatow will be here with a look at the state of science in the United Kingdom, where the British have pushed ahead in developing renewable energy and stem cell research.

We're here in Las Vegas talking about the design and development of the increasingly sophisticated casino experience, an area of technology where we may still predominate. With me on the panel are Brad Friedmutter, an architect and CEO of the Friedmutter Group; Jan Jones, senior vice president of communications at Harrah's Casino Hotels; Robert Boehm, director of the Energy Research Center at the University of Nevada-Las Vegas; and Bo Bernhard, director of gaming research—gambling research, I should say, at the University of Nevada-Las Vegas.

And just before the break, the question was: Can small hotels still compete in the world of the Wynn Las Vegases?

Mr. BERNHARD: That's a legitimate question. Certainly, the entry fee has gone up substantially over the years. And one wonders, as Wynn Las Vegas certainly demonstrates, that you can spend $3 billion on these sorts of places, whether the new places that will be going up across the street will have to spend that kind of money to compete.

What's interesting about this most recent period of expansion is that it's targeted the high end. The expansions at the Venetian, at the Mandalay, at Bellagio, they're all going after what is presumably a finite population, which is the upper-end consumer. One wonders if there'll be anything left for the sort of middle-class American here.

CONAN: Well, Brad Friedmutter, let me ask you about this. Who do you see as your competition? Are you the next step, or are you saying, 'Well, if that's what Wynn does, we're going to do that'?

Mr. FRIEDMUTTER: Well, there's no question that if the Wynn property is financially successful, which I'm sure it will be, that raises the bar for the Strip. For example, at Red Rock Station, we're creating a different kind of experience off-Strip; that's located off of 215 near Summerlin. That property is going to cater to people that live in Las Vegas, as well as tourists that visit Las Vegas. That type of design is going to be a crisp, clean, rather desert contemporary look. That's not a Strip property; there will be entertainment, there will be a host of restaurants, a very large casino and a number of rooms. There's also daylight. And so that project is breaking a lot of the molds, and I think is going to be well-anticipated the beginning of next year.

CONAN: But is the days of the theme resort, the theme megaresort, if you will—is that over?

Mr. FRIEDMUTTER: I think the notion of the theme—you have to define theme. I think the cartoon theme, the miniaturization of real things and kind of tongue-in-cheek—I think for now that's over. You know, I never want to say never in Las Vegas because everything gets reinvented. But I don't think you're going to see something as Spartan or cold

as minimalist type of design. People still come here, they want to be entertained, they want to be comfortable. You have to stimulate as many of the senses as you can.

CONAN: So Bauhaus, not in our house.

Mr. FRIEDMUTTER: Maybe in a small area.

CONAN: Local historian Michael Green once said this about Las Vegas in the 1930s: 'If the Hoover Dam is the steak, then legalized gaming, gambling, and six-week divorces are the steak sauce.' Well, maybe the same could be said of the city of Las Vegas and its mayor. As the locals try to polish up the city's image, Mayor Oscar Goodman's candid comments never fail to spice things up. Unlike the usual politician, he feels no compulsion to keep his fondness for a glass of gin or the fact that he's a former defense attorney to several organized crime figures a secret from anybody. As Las Vegas reflects on a century of its colorful past, we've invited its equally colorful mayor to ponder the city's next 100 years.

Mayor Goodman, thanks for joining us on TALK OF THE NATION.

Mayor OSCAR GOODMAN (Las Vegas): Thank you very much. I consider that a compliment.

CONAN: All right.

(Soundbite of laughter)

CONAN: Is it true that, to some degree, you could be credited with the designation of 1905 as the city's centennial year?

Mayor GOODMAN: Yes, I wanted to be sure that the centennial would be taking place while I'm the mayor. And...

(Soundbite of laughter; applause)

Mayor GOODMAN: There's some discussion that's taking place that 1911 should be the appropriate time for a centennial because that's when Las Vegas was incorporated as a city. But I don't know whether I'm going to be the mayor in 2011, so I said, 'Let's pick another date.'

(Soundbite of laughter)

Mayor GOODMAN: And we had the auction of certain lots in our downtown, which was the beginning of Las Vegas as we know it today, which took place on May the 15th of 1905, and we're going to be celebrating our birthday this weekend.

CONAN: Do you think you could be the mayor of any other city in America?

Mayor GOODMAN: Absolutely not.

(Soundbite of laughter)

Mayor GOODMAN: There's very little tolerance throughout America for somebody like myself. But in Las Vegas, they understand what I'm all about, I tell it the way it is and I think that the people appreciate that. There are very few honest politicians.

CONAN: Yeah.

(Soundbite of laughter)

CONAN: Let's talk about the future of this city. All kidding aside, you've got some real problems here. You've got tremendous growth to contain...

Mayor GOODMAN: I don't consider that a problem, though. I think that growth is good. I think that without growth, you stagnate. And I want to continue the growth as far as the city of Las Vegas is concerned. It's a different kind of growth than we've experienced in the past. In the past, we went out, and our natural boundaries are such that you're limited as to how far out you can go. But there's nothing to limit us from going up, and that's why I'm talking about the Manhattanization process of Las Vegas.

CONAN: And not just the New York-New York Casino; you're talking about the whole city.

Mayor GOODMAN: The whole ball of wax, right. And we see it happening. When I was elected six years ago,

very little was happening in the downtown. I was concerned because of the 48 out of 50 states having gambling; the Indian reservations, I thought, were a real threat. And the downtown that I knew when I got here with my wife in 1964 was a gleaming, glistening downtown, and through the years it matured and became a challenge. And I felt that it's like the core of an apple. You know, when the core of an apple begins to rot, then the apple rots and the bushel, and it has a reverberating effect. And it would take it all the way out to the Strip, it would take take it up to the area where the Red Rock is going to be built. And I made my mind up that we would have to revitalize and have a renaissance in the downtown. And everybody laughed at me. They said I was nuts, which, you know, truth is the defense, but there may have been a little bit of truth to the fact that I was talking about things that people weren't ready to accept.

And now they've bought into it, and the downtown has come back. We have a Furniture Mart that's second to none in the world that's in its infancy. We're talking about a world-class academic medical center going down there, a performing art center—we're the largest city in North America that does not have one; we have the funding for it now. We got a wonderful endowment, $50 million, from the Reynolds Foundation. Talking to major league baseball on a daily basis, talking to the NBA about having the NBA All-Star Game here. And I'm a betting man; I'd say I'm going to win that bet. So it's great being the mayor of Las Vegas.

CONAN: Let's get a question from the audience here in Las Vegas; one of your constituents, I suspect.

Mr. BRET BICOY (Nevada Community Foundation): My name is Bret Bicoy. I'm with the Nevada Community Foundation. One of the things that we've seen is that the same population growth that is supporting our economic development is, in many ways, overwhelming our civic and social service institutions. I'd like to hear a little bit about how gaming operations see themselves, and some examples of them being good corporate citizens here in our community.

CONAN: OK. Well, we have—well, Bo, why don't you start that. You study these things.

Mr. BERNHARD: Yeah, these are legitimate questions. Certainly, as Las Vegas grows, so too does its need for support of groups like the Nevada Community Foundation. In fact, I co-authored a study last year sponsored by a grant that the Nevada Community Foundation put together looking at the needs of the overall community. And one of the conclusions we came to was that giving as a concept is, like a lot of things in Las Vegas, sort of relatively young. I think, like a lot of things in Las Vegas, we're getting better at it than we used to. But as Oscar just pointed out, certainly we're seeing different trends that suggest that the future might be bright.

Mayor GOODMAN: And it's a pretty generous community, actually, when you have a problem. When we had our flood, for instance, we reached out to the community, I reached out to Celine Dion, and she did a PSA. The MGM folks came forward, they gave us a lot of money to take care of folks who really needed some immediate help which we could not get because we didn't qualify under the FEMA conditions back in DC. On a case-by-case basis, they're great.

I think where we have to find ourselves is with a different kind of mentality, like they have on the East Coast or in Los Angeles, a big-city mentality where philanthropy is something that is recognized as being part of a community. And you want to see your name on the side of a building like the Frank Rogers building here. That's important to people in other cities. We haven't reached that point here yet.

CONAN: Thanks very much for the question. Let's go to a caller. And this is James. James calling from Portland, Oregon.

JAMES (Caller): Yeah. My question is in regards to a natural resource problem. You know, water's a dwindling substance there in the dry (audio loss). How do you guys plan on handling the population explosion with regards to the water?

CONAN: Mayor Goodman.

Mayor GOODMAN: Yeah, it's pretty extraordinary. We started a conservation program here a couple years ago, the Water Authority did. And with the influx of folks—8,000 people coming in on a net basis each month—even with that taking place, we've used less water this past year with the growth of population, which is extraordinary because people are educated now in Las Vegas. They recognize that we live in a desert, and they have to behave as you must when you're living in a desert.

Everyone gets angry at me when I say that we drink what we flush here, but there's a lot of truth to that. The indoor use of water is circulated. We get credits, and we don't lose any water as a result of that. Where you lose water is with the watering of the lawns, not being careful of your sprinklers and that kind of thing, because it's evaporation, it's lost. That's

what we have to take care of ourselves. We have been very careful about making deals with California and Arizona for water storage, for trade-offs and buying water. So we're in good shape as far as water's concerned. I'm not worried about water.

That's one of the reasons that we have the Manhattanization, because when you go up, not everybody has a lawn, not everybody has a pool. You have a little lawn around your high-rise, you've got a pool on top of your high rise. And as I say, we don't worry about what happens—well, we do worry about what happens in Las Vegas because it stays in Las Vegas.

(Soundbite of laughter)

CONAN: James, thanks very much for the phone call.

JAMES: Thank you.

CONAN: We're talking today about the future of the casino industry and the future of Las Vegas.

And you're listening to TALK OF THE NATION from NPR News.

And I wanted to get a e-mail question in, this from Q.R. 'What is the current Mafia involvement and influence, and how do you know?' Mayor Goodman, you should have a pretty good idea.

Mayor GOODMAN: Well, if there was such a thing as the Mafia...

(Soundbite of laughter)

Mayor GOODMAN: ...I would probably know about it because it's been said, as a matter of lore, that I represented them. There is no Mafia presence in Las Vegas. There's no organized crime presence in Las Vegas as we sit here today, in the traditional way of looking at organized crime where somebody's last name ended with a vowel.

Now the organized crime are these punks—pardon the expression, folks—who come up with the gangs from LA and they want to make their presence felt here. That's the kind of organized crime we have, but it's a different type of concept than that which was thought of in the old days as to the founding fathers of many of these casinos.

CONAN: Bo Bernhard, is that a rosy picture?

Mr. BERNHARD: I don't think so. I think one of the misunderstood and perhaps underestimated, important chapters in Las Vegas' history was when we, in fact, for lack of a better term, cleaned up. And our legal structures, our gaming regulatory structures, are, in fact, the envy of the world over now that the rest of the world is embracing gaming. And they, in fact, did a good job of this during the period that Oscar's speaking about.

CONAN: Let's get a question from the audience here in Las Vegas.

Mr. JEFF BURBANK (Audience Member): Yes, I'm Jeff Burbank. Mayor Goodman, why does Las Vegas consistently rank so high in so many social problems, such as lung cancer, teen pregnancy, high school dropouts, etc.?

Mayor GOODMAN: Well, we'll go through one at a time. Lung cancer because a lot of people smoke here; it's a kind of community that has a lot of pressure attached to it. The employees who work in the casinos are under an awful lot of pressure all the time, and they tend to smoke perhaps more than folks elsewhere. And what was the second area? Teen pregnancy?

Mr. BURBANK: Teen pregnancy.

Mayor GOODMAN: I know nothing about that. Third?

(Soundbite of laughter)

Mr. BURBANK: High school dropouts.

Mayor GOODMAN: High school dropouts. Well, high school dropouts—that's a serious issue because there are jobs that are in our community here, administerial-type jobs—and I'm not putting them down—where you can be a car valet, a car park, who makes himself 50, $60,000 a year. These kids that drop out of school at 16—I think it's shameful. I think that there should be something done about it. I wish I had jurisdiction over it because I would do something about it. But I believe that the casinos should step up. If they're providing the opportunity for youngsters to drop out of school and make

a good living, they should give them rewards because that's what youngsters look of, incentives to get their high school degree, get a GED, go to community college and give the monetary rewards as they make themselves into more valued members of the community. But until that takes place, the dollar is king.

CONAN: Hmm. Let's get another caller on the line. And this is Catherine. Catherine's with us from Denver, Colorado.

CATHERINE (Caller): Hi. I've got a question for the mayor. I'm wondering what kind of safeguards the city is doing, because it seems like Las Vegas is a real terrorist target. Some of the counterterrorist people, like Richard Clark from Washington, DC, have said that Las Vegas has definitely been scoped out by terrorists. And given that the airport is so close to the Strip, and the fact that my son is going to be student at UNLV this fall...

(Soundbite of laughter)

CATHERINE: ...I'm wondering what you're doing about terrorism.

Mayor GOODMAN: OK. Well, sleep soundly—OK?—because your son is not going to be the object of any terrorist activity here. I think we're the safest city probably in the world in the sense that each one of our casinos has their own individual police force, in effect, with the security guards that they have there. And they're constantly being trained, they know what to look for. I feel that Las Vegas is as safe as any place, if not safer. I have never heard—and this is my oath on this—I have never heard one piece of credible evidence which would substantiate the fact that Las Vegas is a target. We get a lot of chatter because Las Vegas is on everybody's mind...

CONAN: It's Sin City.

Mayor GOODMAN: Well, it's a great city.

CATHERINE: The Atlantic Monthly article that Richard Clark had in maybe three months ago...

CONAN: Mm-hmm. Yeah, he was on TALK OF THE NATION to talk about it. Yeah.

CATHERINE: ...explicitly talked about it.

CONAN: Mm-hmm.

Mayor GOODMAN: Well, he's wrong.

(Soundbite of laughter)

Mayor GOODMAN: This is safe. I get briefed all the time. I'm not getting presidential briefings as far as homeland security is concerned, but we have our homeland security operations in the area here. If there's the slightest indication that there's any issue whatsoever, we're brought together. We've got operations centers, command posts, and we haven't heard any credible evidence whatsoever that Las Vegas is targeted. It's that simple. And if he says something to the contrary, he doesn't have his facts right.

CONAN: Catherine, we wish your son good luck.

CATHERINE: Thank you.

CONAN: Thanks very much for the phone call.

And I think that's all the time we have for today. And we'd like to thank all of our guests: Bo Bernhard, director of gambling research at UNLV and co-author of an article called "Maverick to Mafia to MBA"; Jan Jones, a former mayor of Las Vegas, who was with us earlier—she's now senior vice president of communications at Harrah's; Brad Friedmutter, who is an architect and founder and CEO of the Friedmutter Group, designing the next big casino hotel resort to open in this area; Dr. Robert Boehm, distinguished professor of mechanical engineering and director of the Energy Research Center at the Howard R. Hughes College of Engineering at the University of Nevada, Las Vegas—Two hours of Vegas and that's the first mention of Howard Hughes—and Mayor Oscar Goodman. Thank you very much for being with us today.

We'd also like to thank the staff of Nevada Public Radio, including Jack Chappell and Florence Rogers, the staff of the Desert Research Institute and Steve Wells and Ron Kalb and the Las Vegas Centennial Committee and Deputy City Manager Betsy Furwell—Fretwell, excuse me. And happy 100th birthday.

This is TALK OF THE NATION from NPR News. I'm Neal Conan.

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This is TALK OF THE NATION. I'm Neal Conan.

(Soundbite of applause)

CONAN: Today we're in Las Vegas, Nevada, at the Desert Research Institute, home of the new Atomic Testing Museum. We're here at the invitation of Nevada Public Radio and the Las Vegas Centennial to help celebrate the 100th birthday of Las Vegas, a city that many believe was born long after 1905 in the mind of mobster Bugsy Siegel.

(Soundbite of "Bugsy")

Mr. WARREN BEATTY: (As Ben Siegel) I have found the answer to the dreams of America.

Unidentified Man #1: Do you want to be a little more specific?

Mr. BEATTY: (As Ben Siegel) The Flamingo.

Unidentified Man #2: A bird?

Mr. BEATTY: (As Ben Siegel) Look, what do people always fantasize about? Sex, romance, money, adventure. I'm building a monument to all of them.

Unidentified Man #3: What are you talking about here, a whorehouse?

Mr. BEATTY: (As Ben Siegel) No, I'm talking about a hotel. I'm talking about Las Vegas, Nevada. I'm talking about a place where gambling is allowed, where everything is allowed. The whole territory is wide open. I'm talking about a palace, an oasis, a city. Do you know that when the Hoover Dam is finished, electrical power is going to be available on a massive scale in Las Vegas? Everything will be air cooled, every room 72 degrees at all times. The casino will put Monte Carlo to shame. We'll have wall-to-wall carpeting. We'll have Italian marble. We'll have badminton courts, stables. We'll have a lightning-fast train that goes from Los Angeles to Las Vegas in an hour. We'll have planes back and forth. Meyer, we'll have our own airport.

Unidentified Man #4: I think what Ben is saying is it's a good place to trap people in to take their money. Is that what you're getting at here, Benny?

Mr. BEATTY: (As Ben Siegel) Much more, much more.

(Soundbite of telephone ringing)

CONAN: That's the Hollywood version of Las Vegas history, Warren Beatty as the mobster Ben Siegel in the film "Bugsy." The real and lesser-known history of this city is an important part of the story of America's migration to the West, railroads, the Depression, the construction of the Hoover Dam, water, air conditioning, World War II and America's entry into the nuclear age. Later in the program, we'll take you on an audio tour of the Atomic Testing Museum.

But first, the history of Las Vegas beyond the casinos. Many of you have visited Las Vegas. We'd like to hear today from those of you who grew up here or had family who did, the people who invented this city before it was reinvented. Our number is (800) 989-8255. That's (800) 989-TALK. And the e-mail address is totn@npr.org. We also have an audience here in Las Vegas, and we'll be taking questions from them as well.

We begin with a longtime Las Vegan, Michael Green. He's also a professor of history at Community College of Southern Nevada and the co-author of "Las Vegas: A Centennial History." Nice to have you on TALK OF THE NATION.

Professor MICHAEL GREEN (Community College of Southern Nevada): Thank you.

CONAN: Why does Las Vegas trace its origins to May 15th, 1905?

Prof. GREEN: Well, on that day, we had a land auction. There was a railroad build through here, a partnership of the Union Pacific and Senator William Andrews Clark, a Montana copper baron who wanted a piece of the Southern California boom and some of the central Nevada mining boom. So they first competed, then came together, got the railroad built, and they scheduled an auction on May 15th, and one of the lines one of the newspapermen had was that it was a way to give everybody a fair shake-down.

(Soundbite of laughter)

Prof. GREEN: Senator Clark had bought 1,800 acres of land from the woman who owned most of the valley, Helen Stewart, just three years before for $55,000, and in two days, he sold just the downtown area for 265,000. So I think Mrs. Stewart thought she had a pigeon, and it turned out Clark had a lot of pigeons.

CONAN: Well, there had to be a reason. I know Las Vegas is roughly halfway between San Bernardino and Salt Lake City, which were the terminuses of the railroad in question. But there was also another commodity here that was absolutely critical to the survival of the railroad and this town.

Prof. GREEN: It was water. We actually had some then. Las Vegas is Spanish for 'the meadows,' and there were the big springs that Clark had bought that as well, and that meant that he could have what he needed to do the repairs, to have a town built right there. And we used up a lot of it. The railroad controlled the town and wouldn't build water lines out beyond the original downtown area, so people who wanted to subdivide land just outside it dug wells. So at one point, we had something like 100 uncapped artesian wells running around the clock, so we've learned to conserve since.

CONAN: About time.

Prof. GREEN: Took a while.

CONAN: Yeah. Just put it out there and put some pirate ships in it.

Prof. GREEN: That...

(Soundbite of laughter)

Prof. GREEN: ...and the occasional volcano.

CONAN: That doesn't do anything to it at all. Now we talk about obviously the town starting in 1905, and you can debate when the actual start of the town was, when it was incorporated, I guess, in 1911. But clearly, there were people who lived here before the railroad, before that land auction.

Prof. GREEN: Well, there were Native Americans here, especially Paiutes, for, of course, a couple of thousand years, but the original settlers, if you will, of the valley were Mormons. Brigham Young sent missionaries here in 1855. They built a little fort/mission. And his idea was pretty similar to why people had been coming here before and why people would come here afterward, which was a safe haven. Mormons had a history of being shot at and killed, and he wanted Mormons who were traveling from Salt Lake to San Bernardino to be able to stop off somewhere safe.

He also wanted, of course, to proselytize with the Native Americans here, teach them farming techniques, so they set up a mission, and the mission came apart within a couple of years, partly over divisions over whether they were going to be mining or really out there christianizing. Part of the problem, frankly—I had an old professor at UNLV, Ralph Roske, who used to say that the most important person in the history of Las Vegas was not Bugsy Siegel. It was Willis Carrier, because if he hadn't invented the air conditioner, we wouldn't be here.

(Soundbite of laughter)

Prof. GREEN: And the poor Mormons, after a couple of years, they were sunburned enough. So they left, and for the next just about half a century, it was a couple of ranching families that dominated the valley. And the 1900 Census showed a population of about 30, and some of those signatures looked alike.

(Soundbite of laughter)

Prof. GREEN: So we're not really sure there were 30. But we had grown to 937 by 1910, and people said, 'Wow, what growth.'

CONAN: Well, what was it like when this place grew up as a railroad town?

Prof. GREEN: This was, in a lot of ways, a company town, the way people would think of one back in the coal mining country, for example. Workers were not paid in scrip, but the railroad certainly was the dominant employer. Everybody kind of worked on railroad time. It was a 24-hour town from the beginning, because if the train was coming through, the passengers needed something to do while the train was being repaired. So a lot of people either worked for the railroad or depended on it. And, you know, most people don't think of Las Vegas as being a small community with people building churches and building schools, but basically, they were trying to start a little town in the West, and they also were promoters even then. There's no evidence that anybody in 1905 said, 'What happens here stays here,' but they were promoting the town as, of all things, a mining and agricultural center. Well, they had water, so they could logically argue for agriculture, and this is Nevada, the Silver State. So even at the beginning, they were pushing the idea that there was something special about this place that people should come here.

CONAN: Well, we want to get listeners involved in the conversation, of course. Our number, if you'd like to join us, is (800) 989-8255, (800) 989-TALK. Our e-mail address is totn@npr.org. And let's talk now with Cathy, and Cathy's calling us from Denver, Colorado.

CATHY (Caller): Hello.

CONAN: Hi.

CATHY: Hi. I went to school and grew up in Las Vegas and graduated, oh, in the early '80s, and I went back, oh, maybe two years ago, and I almost didn't recognize the place. It has changed so much from the time I grew up there until a few years ago, and I don't like it as much now as I did then.

(Soundbite of laughter)

CATHY: I think the character of the place has changed significantly, and it's nearly doubled in size, and I think the sense of a smaller town community is really gone.

CONAN: Doubled in size, Michael Green, might be putting it mildly.

Prof. GREEN: Very mildly.

CATHY: Yeah.

Prof. GREEN: We have just about doubled in size with every census for the past century, but now we're up to a million-seven, and most of them are on the freeway...

(Soundbite of laughter)

Prof. GREEN: ...listening to this, probably sitting in traffic. But, you know, there's a tendency to say, 'Oh, the good old days were always better,' and one time, I was saying that in a Nevada history class, and a woman raised her hand and said, 'Was it better for women?' I woke up. That took care of that theory.

CATHY: Oh, that—I don't think ...(unintelligible).

Prof. GREEN: But, you know, one of the problems we do face, of course, is that we grow so fast that we can't even keep up with it. The projection is that we'll be to three and a half to four million in another two decades. Well, that suggests we need to double everything we have right now, so there's supposedly more growth coming, and I do wonder what the pioneers would be saying today. They'd be saying we did our job too well.

CONAN: Cathy, I heard you trying to get in there.

CATHY: Well, I was saying that I don't necessarily think that it was better in all respects. Especially when I grew up

there, Vegas was going through one of its bust periods when a lot of—the unemployment was really high and, you know, there was pretty significant difficulties to living there at the time. But you kind of—I suppose you knew your neighbors better. Everybody worked in the casinos, if they had a job, but it was viewed more as, well, that's just their job, you know. You still had a life outside of the typical—you know, the stereotypical glitz that people perceive Vegas as.

CONAN: Oh...

CATHY: But now it seems like even the residents of Vegas think of nothing but the glitz.

CONAN: Well...

(Soundbite of audience reaction)

CONAN: ...we're going to be hearing more about that, Cathy, but as you hear, it's not a popular point in the audience, but thank you so much for the call. We appreciate it.

(Soundbite of laughter)

CATHY: Thank you.

CONAN: Boom and bust, of course, has been a cycle in Las Vegas, I guess, ever since the beginning, Michael. Let's get a call in from the audience—a question.

Mr. JEFF BURBANK (Audience Member): Yes. Hi. I'm Jeff Burbank. What is the most misunderstood aspect that people have outside of Las Vegas about the town's history?

CONAN: Most misunderstood, Michael. What do you think?

Prof. GREEN: Oh, how many hours do we have?

(Soundbite of laughter)

Prof. GREEN: I think one of the most misunderstood is, in fact, the mob, and I'm not saying that there wasn't organized crime here. But one of the things that people don't understand is that Bugsy Siegel, for example, was not the rule. He was the exception. Bugsy Siegel was a thug. He killed people. Most of the guys who built this town were businessmen. They were mob businessmen, but they were still businesspeople. And one of the gaming regulators here in the '50s used to call them silk glove men. They didn't make the hits. Maybe they ordered some, but they didn't do that. And so I think everybody tends to think that this town was built by a bunch of killers and then, in turn, that all the rest of us must be mobsters, too.

CONAN: Instead of the Wild West shoot-off in the streets, there were cars driving by with Tommy guns rattling out the window.

Prof. GREEN: Exactly. Well, actually, they used to say nobody gets killed in Las Vegas, and so Bugsy Siegel, when he was finally the victim of a hostile takeover, and it was a very hostile takeover...

(Soundbite of laughter)

Prof. GREEN: ...he was killed in LA. Another guy who was involved in gaming here who they wanted to get rid of, he was killed in Phoenix. They tried to keep the town clean.

CONAN: We're going to take a short break now, and when we come back, we'll continue talking about the story of Las Vegas on and off the Strip. If you've brushed up against the history of this 100-year-old city, give us a call, (800) 989-8255. That's (800) 989-TALK. You can also send us e-mail. The address, as always, totn@npr.org.

I'm Neal Conan, live in Las Vegas, Nevada. It's TALK OF THE NATION from NPR News.

(Soundbite of music)

CONAN: This is TALK OF THE NATION. I'm Neal Conan.

(Soundbite of applause)

CONAN: We're broadcasting today from the auditorium at the Desert Research Institute in Las Vegas, Nevada, home of the Atomic Testing Museum. Long before neon lights and no-fault divorces, Las Vegas was just another dusty railroad

town in the glaring Southwest desert. In honor of the city's hundredth birthday this year, we're tracing its history from rails through atomic bombs.

Several years ago, Nevada Public Radio began collecting oral memories of early Las Vegas. Here's Ed Van Tobel remembering when his father bought land in Las Vegas a hundred years ago.

(Soundbite of recording)

Mr. ED VAN TOBLE: My dad came up here on kind of a lark. He was working in Los Angeles in 1905, and he and his buddy read the ad in the Los Angeles Times that they were opening up a new town in Las Vegas, and they were auctioning off lots, and you could take a round-trip to Las Vegas and stay overnight for $23 or whatever it was, and so they thought, well, that'd be a good, nice couple of days. You go up there and see what was happening. And the second day, they made an offer to sell the lots at a discount and with a small down payment. The original purchase was on South Main Street in about the 500 block, they bought two or perhaps four little 25-foot lots, or at least made the down payments on them, and that's where they started their business.

CONAN: And you can hear more of the Las Vegas I Remember series by visiting the Nevada Public Radio Web site at knpr.org.

We'd like to hear your stories of old Las Vegas as well. Our phone number, as always, (800) 989-8255, (800) 989-TALK. E-mail is totn@npr.org.

Joining us now on the panel is someone who grew up watching the Hoover Dam being built. Darrell Luce arrived in Las Vegas in 1932 at the age of three. Nice to have you on the program.

Mr. DARRELL LUCE (Las Vegas Resident): Thank you.

CONAN: And I'm sorry to have given away your age to those who are arithmetically capable. I know as a boy, you watched the Hoover Dam going up. Tell us about that. But this was an enormous construction site.

Mr. LUCE: Yeah, it certainly was. My father had a small retail business here in Las Vegas, but he had a smaller store in Boulder City, and because of this, he was allowed to go into Boulder City, because they had gates on their only road out there, and you had to go through security to get into Boulder City. And so because of the store, he would go out there quite frequently, and he used to take my sister and myself with him, and the fellow that ran the store, he and his wife lived in the back of the store, and he was a security guard at the construction site, so he would tell my dad what areas were available, and so we used to go down and watch them do the work. We would see the big, huge trucks. We'd see the cableway coming across and dropping down the cement and sometimes the men would go out on the cableway. They would go in like a big, huge basket. They would take 30 or 40 men, and I've seen that going on.

And the thing that was probably most unique about my experience was that they had to build cofferdams to dry up the dam construction area. And so for several years, it was all dry, but when they got time to let the water start coming in, they'd been diverting the water through tunnels, diversion tunnels that had been created in the sides of the canyon. That was a tremendous project in itself. But the water had been diverted and then it came time, the dam was ready to meet the test of having water come up against the face of the dam. So not too long—just about a week before the water got up high enough, they closed off the diversion tunnels and then, of course, the water began to rise on the upstream side. And so my dad drove his car clear down in the bottom o—next to the upstream side of the dam, and my sister and I got out of the car and went over and touched the bottom of the dam, which is now roughly about 600 feet underwater.

CONAN: Wow. You mentioned Boulder City. It was known originally as Boulder Dam. How did it get renamed for arguably the most unpopular president of the 20th century?

(Soundbite of laughter)

Mr. LUCE: Well, I can't speak for Mr. Hoover, but I'm sure it was political.

(Soundbite of laughter)

CONAN: No!

Mr. LUCE: He was up for re-election, and he was not very popular, and he wanted to get his name attached to something that was being productive and furnishing jobs.

CONAN: Didn't much help him in that 1932 election, did it?

Mr. LUCE: No.

CONAN: Let's get another question from the audience here in Las Vegas.

Mr. DAN McEWEN (Audience Member): Hi. This is Dan McEwen. I have a question about Hoover Dam. Which do you think was most important to the growth of Las Vegas, Hoover Dam or the Basic Magnesium plant that was built a few years later in Henderson?

CONAN: Well, why don't we get Michael Green to help us answer that.

Prof. GREEN: Oh, it is kind of a chicken or egg question. But since the dam came first, I think we have to go with the dam, just because it led to the first population spurt. The other thing that the dam did that really nobody expected was that it became a tourist attraction. Hundreds of thousands of people were coming here to look at this eighth wonder of the world and the Boulder City area was a federal reservation, and they banned everything that tourists like to do. The workers couldn't even do it. So Las Vegas was just up the road, so they'd come here. Basic magnesium is crucial, no question, and it does build the town of Henderson, which, like Las Vegas, is one of the fastest-growing cities in the country.

CONAN: Thanks very much. Let's get another caller on the line, and this is Patricia. Patricia's with us from Bishop, California.

PATRICIA (Caller): Hi there, Neal. Love your show.

CONAN: Thank you so much.

PATRICIA: I was a chorus girl there in the '50s. I worked at the Sahara when it was a one-story hotel, and they put us up in a little place we used to call the 'tool shed,' all 12 dancers and showgirls. And we changed the show every two workweeks. We worked seven days a week, and it was wonderful. It was, you know, a great job. I learned while you earn. That's what they always said. But I worked with some great stars, and there were some questionable people that ran that place, but I didn't get close to them. But it was pretty interesting. It was nothing like it is now. I go there and I get shell-shocked just looking at it. You know, it's hard to believe that these years have gone by and this huge progress that's happened. It's pretty amazing.

CONAN: Well, to reiterate the question Professor Green was asking himself earlier in the program, was it good for women?

PATRICIA: Oh, who knows?

CONAN: This is to Patricia, not to you, Professor.

Prof. GREEN: Oh, good.

(Soundbite of laughter)

PATRICIA: We worked so hard, who knows? You know, I remember one time going over to the El Dorado and getting on a horse, and they used to have El Dorado Days and I went out and bought a jacket with fringe. I bought the cowboy pants and the boots and the whole thing, yeah, you know, just to fit in, and went riding one day, and the horse took me out in the field, and then all of a sudden, he turned around and went like a bat out of you-know-what coming back, and that was my experience. But, I mean, we got our fun where we could get it, because we had to rehearse every day, except a couple of days. And I remember one time we were coming home and they did ...(unintelligible) the atom bomb, and everything lit up like daylight. A couple of times, that happened.

CONAN: Well, we're going to be talking more about that later, Patricia, but thanks very much for the call. We appreciate it.

PATRICIA: OK. Yeah. Yeah. You're welcome.

CONAN: Let's talk now with—and let's remember to hang up the phone, Mr. Clever. All right. Let's talk now with another woman who came out to Las Vegas in 1950s. Ninety-four-year-old Alice Key joins us now. She's a retired deputy Labor commissioner for the state of Nevada, played a long-running role as a community activist in Las Vegas, including a stint as executive director of the Las Vegas branch of the NAACP in the 1970s. Thanks so much for being with us today.

Ms. ALICE KEY (Las Vegas Resident): Thank you.

CONAN: You came to Vegas, as I said, in 1954. How come? To be a showgirl?

Ms. KEY: No, not at all. I had been out of show business 10 or 11 years when I came to Las Vegas. I came to Las Vegas because of Dr. Charles West. He was the first black physician in the state of Nevada. He and his wife are friends of mine, and they had visited California on a vacation, and he mentioned that Count Basie—he had run into Count Basie, who had mentioned to him that he would like to see black professionals in Las Vegas. He played here often, and it was highly discriminatory here, Las Vegas was. And nobody could stay at the hotels where they stayed. They had to come over on the West Side. And he said he felt sorriest for the children because there were no black professionals. They had no role models, no doctors, no lawyers, no professionals. And Dr. West laughed and said, 'Imagine asking me and I'm not thinking about going and taking another exam to practice medicine in another state.' But I looked at Dottie(ph), who had dollar signs in her eyes when she asked the question, 'Do you mean no black doctors in the whole state?'

So on the way back from the beach to Los Angeles, she whispered to me and said, 'What's the capital of Nevada?' and I said, 'I haven't the faintest notion.' But we called the newspaper and they told us Carson City was, so she called Carson City, and it so happened—I don't know how often they give it now; at that time, it was only once a year—it was only a couple of days from the date she called. Three months later, she called me from Detroit and said, 'We're packing for Las Vegas.' And then they were kind of lonesome for some of their personal friends when they first got here. It was quite a cultural shock for them, Las Vegas was. And...

CONAN: But you're talking about this place—this was a Jim Crow state.

Ms. KEY: It was called the Mississippi of the West.

CONAN: Not in a good way, I suspect.

Ms. KEY: No, but if you are black and as old as I am, everywhere was Mississippi of the West...

(Soundbite of laughter)

Ms. KEY: ...at le—you know, I have been discriminated and segregated against in New York City, in Los Angeles, California, and my home—well, the town I grew up in, Riverside, California. But there were a lot of great people here. There weren't a lot of people, but out of that percentage, there was a goodly number. One of them is sitting here in the audience, Thalia Dondero and her husband, Harvey, who was an administrator at the school district; Edith Katz and her husband, Lloyd, and Ruthie Deskin, whom we lost last year, and her husband, who was a sportswriter.

CONAN: Again, we think of the mobsters, we think of the great entrepreneurs. We don't think of the people who built the civic structures of this town.

Ms. KEY: Absolutely. Because these were three couples that, at the NAACP, whatever they promoted, whatever they were doing, fund-raising, whatever, these were the three couples that supported us heartily, physically and financially, and I had the privilege of honoring the widows—all three of them were widows at the time—well, it's been a few years ago—because of their contribution to the—what really happened was that we finally got public accommodations and fair housing and we passed a civil rights law before the 1964 civil rights law. And a great deal of credit should go to those white people. And as a matter of fact, if it weren't for good white people in the world, we might still be in slavery.

CONAN: Hmm. Alice Key is with us here in the audience on the panel as we're broadcasting live from the Desert Research Institute in Las Vegas, Nevada. Our other guests include Michael Green, a professor of history at Community College of Southern Nevada, and Darrell Luce, who first came to Las Vegas in 1932 and remembers the building of the Hoover Dam.

If you'd like to join us, it's (800) 989-8255, (800) 989-TALK. The e-mail address is totn@npr.org. And you're listening to TALK OF THE NATION from NPR News.

And let's get another question from the audience here in Las Vegas.

Ms. MARIE McMILLAN (Audience Member): Marie McMillan. We've all heard about the Moulin Rouge and the entertainers and the partying during that time, but were all of the showgirls and entertainers black at the Moulin Rouge?

CONAN: Do you...

Ms. KEY: It was a black show. Clarence Robinson, who was the—you're talking about the original Moulin Rouge...

Ms. McMILLAN: That's right.

Ms. KEY: ...the first interracial hotel-casino here. Clarence Robinson, who was the producer of the Cotton Club shows in New York, bought the show out—the first Moulin Rouge show out, and it was an all-black show.

CONAN: Hmm. Michael Green?

Prof. GREEN: That, and you found a lot of white entertainers coming to the Moulin Rouge after their shows were over.

Ms. KEY: Oh, not only entertainers. You could have shot a cannon through the casinos and the hotels on the Strip, which there were about five or six at that time, and at 2:00 in the morning and wouldn't hit—you wouldn't hit anybody because they were all over there at the Moulin Rouge watching that show and gaming.

(Soundbite of laughter)

CONAN: All right, here's an e-mail question we have from Peter in North Beach: 'When I first visited Las Vegas, I was surprised to find a large and thriving China Town. What's the history of Las Vegas' China Town, and how did Chinese immigrants arrive there?' Michael?

Prof. GREEN: As crazy as this is going to sound, we built the China Town Plaza, then we got more immigrants. The tradition with the China Town, it's a story of segregation, whether it's New York or San Francisco, and there were Asian residents in the vicinity of the China Town Plaza, which is a couple of miles west of the Strip, but some businessmen came here in the mid-90s and built the China Town Plaza and had markets and restaurants and the like, and then more Asian immigrants started moving in there. So if Las Vegas has a tradition of doing things in a strange way, we managed to invent the China Town backwards.

(Soundbite of laughter)

CONAN: Hmm. And let's get another caller on the line, and if I remember to push the right button, this is Kate, Kate in Charlotte, North Carolina.

KATE (Caller): Hello.

CONAN: Hi. You're on the air.

KATE: OK. I wanted to tell you that the real architect of the Flamingo Hotel was my father, Richard Dryerson Sadleman(ph). He was a very important architect in Las Vegas at that time. Did the City Hall and the stadium, which I can't remember the name of, and many homes and schools and other important buildings.

CONAN: And were you living in Las Vegas as a child growing up?

KATE: That's right. I was born there.

CONAN: And I guess it must have—probably hasn't changed a bit.

KATE: Oh yeah.

(Soundbite of laughter)

KATE: I haven't been there in many years, but it looks completely different from it was—the way it was in 1948 and in the early '50s when I was there.

CONAN: What was the innovation, architecturally, that were incorporated into the Flamingo, do you think? Kate?

KATE: I'm not sure of that. I know that the movie in that regard was correct, that he continually made changes, which haunted my dad.

(Soundbite of laughter)

CONAN: Michael.

Prof. GREEN: Well, the—what made the Flamingo so different on the Strip is that the first two hotels built on the Strip were sort of the classic Southwestern ranch-style low rises, and the Flamingo was a low rise, but Siegel and Billy

Wilkerson, who was also one of the original builders, their vision was to build a kind of suburban, classy, luxury resort for the Hollywood crowd. There's some Miami Beach influence there as well. So the Flamingo isn't necessarily new to American architecture, but it was different for Las Vegas.

CONAN: Different for Las Vegas. And when did the first high rises start to go up?

Prof. GREEN: The first high rise on the Strip was the Riviera, which is celebrating its 50th birthday this year. It was built in '55. It was nine stories, and people just couldn't believe it. Downtown, I think the first elevator was at the corner of Second and Freemont around 1933, so it took a while for us to Manhattanize.

CONAN: Kate, thanks very much for the phone call. We appreciate it.

KATE: Thank you.

CONAN: And when we come back from a short break, we're gonna continue our tour of Las Vegas history, and then focus on the new Atomic Testing Museum, which has just opened up in this city. Ready your goggles and your Geiger counters. If you ever were part of the atomic testing program in Las Vegas, give us a call, (800) 989-8255, (800) 989-TALK. Our e-mail address is totn@npr.org.

I'm Neal Conan. Back after the break. It's TALK OF THE NATION from NPR News.

(Announcements)

CONAN: This is TALK OF THE NATION. I'm Neal Conan.

(Soundbite of applause)

CONAN: We're broadcasting live from the auditorium at the Desert Research Institute in Las Vegas, Nevada.

Tomorrow, of course, it's "Science Friday," and Ira Flatow will be here with a discussion of sexual abuse and its cost to society. Can science help us deal with sexual abusers? That's tomorrow on TALK OF THE NATION/"Science Friday."

Today we're telling stories from 100 years of Las Vegas history with Michael Green, a history professor at the Community College of Southern Nevada; also with us, Darrell Luce, who came to this city in 1932 at the age of three; and also with us is Alice Key, executive director of the Las Vegas chapter of the NAACP in the 1970s.

And let's see if we can get another caller on the line, and this is Beth. Beth's calling us from Modesto, California.

BETH (Caller): Hi.

CONAN: Hi.

BETH: I just wanted to thank you. I really love listening to your show.

CONAN: Thank you.

BETH: I'm a native of Las Vegas—former native of Las Vegas, and Chinese-America, and so I grew up in Las Vegas, and I just wanted to share that my experience was one of sort of being a token, because I was always just the only Asian-American in the class from elementary school all the way up to high school. I know someone wrote in an e-mail about the China Town. I wanted to know if Michael Green could comment, though, on—there was an older part of China Town, or an old China Town in Las Vegas around Charleston, East Charleston, Fong's Garden. I don't know if he could comment on that or not.

CONAN: Michael?

Prof. GREEN: Yes, there are several Chinese restaurants, markets in that part of town, and East Charleston's one of the older sections, building up in especially the '40s. And Fong's Garden, I believe, was Wing Fong, who went on to be involved in banking. His wife, Lilly, was a university regent. And it—the Chinese community here traditionally was small, but some of the members of the community have been very influential in our development.

CONAN: Even reading back on some of the history of Las Vegas in preparation for this program, Chinese families were amongst the earliest here after 1905, Japanese as well, as well as African-Americans, of course.

Prof. GREEN: Yes. This was a mostly white town at the outset, but from the beginning there is an ethnic mix. It's not exactly a melting pot, but it's close, and sadly there was a lot of segregation, not just of African-Americans, but of

other groups. They tended to be shunted to one side of the town site, trying to keep them out the way. But you find early on Las Vegas, Chinese restaurants, Mexican restaurants, some markets. There's a small ethnic community here from the beginning.

CONAN: Hmm.

BETH: And, Neal?

CONAN: Yes, Beth.

BETH: Can I make one more comment? Actually my family moved to Las Vegas originally because my father worked for the test site, so kind of segueing into the atomic issue you were going to talk about, he was a scientist with the Department of Energy for many years.

CONAN: Did you ever consider becoming a radio producer, Beth?

(Soundbite of laughter)

CONAN: Thanks very much for the phone call. We appreciate it.

BETH: Thank you.

CONAN: We're gonna get to the Atomic Testing Museum in just a moment. And by the way, if you have questions about that, give us a call: (800) 989-8255, (800) 989-TALK. And the e-mail address is totn@npr.org.

Let's get another question from the audience here in Las Vegas.

Ms. THALIA DONDERO (Audience Member): Oh. I'm Thalia Dondero, and my question is on the atomic bomb. But what—I am a member of the Order of the Tortoise, which was—and I've been here since 1943, so I just had to ask if you knew what it was like to be sure you were awake in time before they dropped the bomb and to open the windows and the doors, because they'd break the windows or rattle your house, and everything would be like daylight, and then that would pass. But then in some of the information that was released, they said that the fallout might be a great inconvenience, so I just kind of wondered, you know, those are kind of the days that...

CONAN: Well...

Ms. DONDERO: ...during that testing period.

CONAN: Darrell Luce, in addition to watching the Boulder and later Hoover Dam, you witnessed three explosions in uniform.

Mr. LUCE: Yes, that's correct. I was sent by the United States Army out to the test site from Ft. Sill, Oklahoma, and we were sent primarily to test the atomic cannon; however, they were doing a lot of testing at the time. We were there for about six weeks, and we witnessed two other tests while I was there, and of course, I was about roughly 18 miles away from ground zero, and we had to turn around and cover our eyes while the initial explosion took place, but then you'd turn around and watch the fireball and the mushroom cloud.

I might say, too, though, that on one of these tests just two days later, we were volunteers, but we got in the bus and they had, of course, checked out the target area with—the radioactive safety engineers had been through the area, and we were taken down within two miles of ground zero to observe the damage that had been done. In those days they—in the target area that would put all sorts of military equipment, buildings and things of that order. So I felt that the scientists had reduced the residual radioactivity considerably, otherwise we wouldn't have been down there two miles away from ground zero.

CONAN: Darrell, I thought the first rule of Army life was that you learned never to volunteer for anything.

(Soundbite of laughter)

Mr. LUCE: Well, I was a gung-ho young second lieutenant and I was—I just said, 'Yes, sir.'

CONAN: 'Yes, sir.'

Ms. DONDERO: But I also have pictures showing them sweeping the dust off of you with a broom, so I just—I thought, 'You're a brave person.'

CONAN: Well, just before we formally switch to the subject of atomic testing, let me remind you that there are some stories—other stories that we're following here today at NPR News, and here are some of the headlines. Senator George Voinovich has agreed to send John Bolton's nomination to be UN ambassador to the Senate floor where he said he would vote against him. The Ohio Republican said he'll join Democrats in voting against Bolton in committee.

And virtually every GOP member since 1989 has taken money from Tom DeLay. This is making it hard for the Republican leadership to find a lawmaker for the ethics committee to judge his case. And you can hear...

(Soundbite of laughter)

CONAN: ...details on those stories later today on "All Things Considered" from NPR News.

LOAD-DATE: May 24, 2005

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Copyright 2005 Orange County Register
The Orange County Register (California)

May 12, 2005 Thursday

SECTION: LEISUREWORLD

LENGTH: 361 words

HEADLINE: MY TURN

BYLINE: By Myra Neben, Leisure World News editor

BODY:

Lessons I have learned that are relatively unimportant.

The salmon dinner I order at a local restaurant that specializes in fish and costs $22 is just as good if not better, than the salmon at the Bellagio in Las Vegas for $42, and the $22 salmon comes with a salad.

The same goes for breakfast. An hour up the road or 20 minutes down the road from Vegas a big breakfast is anywhere from $1.99 to $3.99. At the Bellagio a little breakfast is $14, and coffee is extra. And don't even ask about the buffet.

People whom you have not seen in close to 45 years, do change. They are not as much fun as they were when we were in college, although I am just as much fun. They have gone from being cut-ups who put crepe paper flowers on floats in between drinking beer, to professors, accountants and executives, who drink appletinis and watch the Rose Parade from reserved seats rather than sitting on the sidewalk.

You can't win much in Vegas playing nickels or even quarters, but the little you win is easily lost if you don't walk away from the darn poker machine.

Even though the hotels are all on The Strip, and the Bellagio is one up from the Monte Carlo, it takes 15 minutes to walk to it. And if you want to take the monorail back, it takes 15 minutes of walking through the casino to get to it. And that's only if you left your hotel room without money.

Don't accept handouts from people on the street, because you're liable to be a little taken aback at the pictures. We outsiders forget that certain things are legal in Nevada that are not legal most other places. Although for a price, I too, could probably have a body like some on those ads.

It takes at least two days to get over one night of staying up until 1:30 or 2 a.m. in the morning, which takes some of the anticipation out of a late night. And you have to remember to put out the "do not disturb" sign, so the maid doesn't knock on the door at 9 a.m.

You don't show your grandkids pictures of you as a teenager. What you want to hear is "Wow, Gramma, you haven't changed." Instead you hear, "Wow, Gramma, is that really you. You used to be pretty." Grandchildren have got to learn how to lie, judiciously.

LOAD-DATE: May 15, 2005

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Copyright 2005 The San Diego Union-Tribune
The San Diego Union-Tribune

May 12, 2005 Thursday

SECTION: ZONE; Pg. NC-7

LENGTH: 273 words

HEADLINE: Encinitas Black Tide;
Basketball

BODY:

[] Background: The all-star team is made up of 8-and 9-year-old boys from Encinitas who have been playing together for about a month. The players were selected to the squad based on their regular-season performance in National Junior Basketball's Encinitas chapter.

[] Strong performance: The Tide went 2-0 against San Diego County NJB chapters to earn a trip to the organization's national tournament in Las Vegas. The Tide went 3-1 in Vegas to finish second in its pool. "All the kids got along and played great team basketball," said assistant coach Dirk Needham. "They played as if they had been playing together for years."

[] Good balance: The Tide's leading scorers were Cole Needham (11.5), Ben Perez (9.5), Will Finnerty (9.0) and Luke Wilkens (8.2).

[] Other team members: Jake Mann, Taylor Bloomquist, Alex Buchanan, Trace Dimeff, Chandler Gach and A.J. Hoffstetter.

[] Solid coach: Needham said Tide head coach Larry Wilkens got the kids to play to their potential. "He just knew a lot about basketball," Needham said. "He was patient but firm in what he expected."

[] Highlight: The Tide beat a squad from Riverside in its second game in the nationals. During the game, a parent from the opposing team was ejected from the arena by the referee. Needham said Tide kids showed great poise. "They just hung in there, didn't let anything bother them and pulled it out," he said.

A profile of a North Coast athlete, team, alumnus, volunteer or someone of interest is published each Thursday and Saturday on the Community Sports page. Do you have an idea for a profile? Contact Whitelaw Reid at (619) 293-1829 or whitelaw.reid@uniontrib.com

LOAD-DATE: May 14, 2005

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Copyright 2005 South China Morning Post Ltd.
South China Morning Post

May 12, 2005

SECTION: Pg. 13

LENGTH: 1033 words

HEADLINE: Bad back fails to keep Fred in bed

BYLINE: Couples tells Alvin Sallay how he found the drive to keep going down the fairways despite a condition that would have put many out of game

BODY:

When Fred Couples wakes up this morning, he will say a silent prayer of thanks to the fact that he is just able to get out of bed, pick up his clubs and go out for his round at the Macau Golf and Country Club.

It is a prayer Couples never forgets to say, wherever he is in the world, for he has a chronic back problem that by all rights, should keep him in bed, instead of traipsing around the fairways at home and abroad. According to Couples, who is the big-name player at this week's Macau Open, he should have given up the game a long time ago.

"I'm very lucky that I can still play golf. People are amazed that I continue to play golf despite my bad back. One doctor asked me if I could walk even 15 minutes a day after checking me out," Couples said soon after having played a practice round at the picturesque Coloanne course.

"I know that my problem can flare up at any moment. It could happen here. And it is very frustrating knowing this. But I'm very grateful for the fact that I can still play golf. This is fun for me, I love coming to Asia and playing in this part of the world," he said.

This week the organisers of the Macau Open, the 12th leg of the 2005 Asian Tour, will be praying as vehemently as Couples, and hoping that the 45-year-old American will not be forced to pull out of the tournament because of his back problems. Last week, in South Korea at the SK Telecom Open, Couples rediscovered a little bit of his putting touch to finish joint second and five strokes behind winner K.J. Choi.

He hopes to continue in that vein, or even go one better, and win the Macau Open in his debut appearance. All that will, of course, depend on his back and how he handles the tight and demanding layout and the wet and windy conditions of the par-71 course.

Poor bone structure on his lower back led to the problem first surfacing in 1992, the year he won the US Masters. It is perhaps no coincidence that his game - that year he was named the US PGA Tour's top player for the second straight time - began to suffer soon afterwards.

"I had this problem first in 1992. I have had a lot of people look at it and done loads of treatment on it but it has never gone away. I think I have to live with it for the rest of my life. I have played with this problem for a long time now," said Couples, a 15-time winner on the US PGA Tour.

It is also one reason why Couples is now regarded more as a skins specialist, preferring to play this shorter version of the game (nine or 18 holes and one or two days) as opposed to the traditional four rounds of golf, 18 holes a day.

"It is easier playing nine holes. And in this form of the game, I can even beat Tiger Woods ." laughed Couples. He knows he doesn't have to bend his back over four days to make a living.

But at Augusta National last month, Couples survived the pain barrier to somehow make the cut and keep alive a streak of never having missed the cut at the Masters.

Six-time major winner Nick Faldo might have pulled out with a sore back, but Couples refused to buckle.

"I never play when my back is bad, except this year in Augusta. I shouldn't have been playing but that is a special event. If it was some other tournament, I would have pulled out, but I was determined to carry on.

"Putting on every hole was absolutely painful. I told my caddie Joe that anything short of being paralysed, I would go on. If it was the Houston Open, I would have quit," added Couples. But Augusta being Augusta, Couples carried on to finish 19 shots behind the joint leaders at the end of regulation play, Woods and Chris DiMarco.

He skipped the Houston Open the following week (in 2003 he won this event, the last time he won a tournament) and rested for two weeks before coming on his Asian swing to South Korea and Macau.

"I played well last week, even though I didn't have a shot at winning. Still a tie for second place was still a good performance," he said. "I hope I can hit the ball the same this week, too."

Couples hopes that wearing a brace to support his back and taking regular massages will be enough to keep his problems at bay this week until he gets back home to Santa Barbara, where he is undergoing a treatment of acupuncture and cupping.

Couples discovered the mystic art of Chinese acupuncture about eight years ago when his wife, who had cancer, went to a Chinese "witchdoctor" in New York who cured her by sticking "huge needles" into her.

"He was 85 years old and he had these huge needles. I couldn't believe what I saw. My wife had a lot of faith in it and I took it up. I went for two visits and never went back to him. But last year, I started to do both acupuncture and cupping together with another doctor. She said that it would reduce the inflammation on my back."

But the travel bug has put that treatment on hold. "I could have stayed at home and rested and done the treatment. I would love if I could just wake up and find myself in Macau. But you have to travel. It is stuff like having to pull your luggage, or getting out of the shower in you hotel room that is the hardest stuff. But I have to do endure this as I enjoy coming to Asia. This is fun for me."

His idea of fun also includes going out for a stint of gambling at the Sands Casino. "I'm not a big gambler but I enjoy it. I like blackjack and baccarat. When I'm in Las Vegas, I go out regularly with my friends. Last week in Korea there was nothing much to do after the golf. I think Macau will be more fun."

Couples said his biggest win was when he won US$ 12,000 at the slots one night in Vegas. Two minutes later his wife won US$ 10,000 at another slot machine.

"My sister, who always plays the slots and was there all night, didn't win anything and was she mad. I'm not the brightest gambler but I sure have fun. But Vegas is more than gambling.

"We go to see the shows. I watched Celine Dion, Elton John and Jerry Seinfeld there.

"Does Macau have any shows?" he asked.

The only show in town this week, as far as organisers of the Macau Open are concerned, will be the golf. And they will be hoping that Couples can once again strike a winning note.

GRAPHIC: (Photo: AP, Paul Lakatos); Fred Couples, who refused to pull out of this year's Masters despite his back pain, waits to hit a tee shot in the first round at Augusta. ; Fred Couples hits a drive during last week's tournament in Seoul, where he finished tied for second place, and takes a peek at an edition of the South China Morning Post during his world travels.

LOAD-DATE: May 12, 2005

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Copyright 2005 Computer Information Network Inc.
The Sports Network

May 12, 2005 Thursday

SECTION: Daily Racing Form - DRF (News Story)

LENGTH: 1148 words

HEADLINE: Bettors throwing support at Wright

BODY:

By DAVE TULEY (DRF) - The most anticipated boxing match of the spring takes place Saturday night at the MGM Grand Garden Arena.

Felix "Tito" Trinidad takes on Ronald "Winky" Wright in a middleweight bout between two of the best in the fight game. Both have impressive r?sum?s and faithful followings that will have the Garden Arena rocking.

Trinidad opened as high as a-220 favorite (risk $2.20 to win $1), but money has shown for the underdog, and most sports books now have Trinidad in the-160 to-180 range. Odds on Wright range from +140 to some offshore books offering +170, providing an opportunity for bettors to hedge their bets by taking the-160 with Trinidad and the +170 with Wright.

The over/under is set at the full 12 rounds, with the "will go" offered at between-125 and-145 and the "won't go" from +105 to +115.

The popular five-way KO/decision/draw prop at the MGM Mirage properties has Trinidad by KO at +160, Trinidad by decision at +150, Wright by KO at +550, Wright by decision at +250, and the draw at +1500, or 15-1.

<B>Corrales-Castillo one for the ages</B>

As much as this fight is being hyped, it's going to be hard for it to surpass last Saturday night's lightweight title fight between Diego Corrales and Jose Luis Castillo at Mandalay Bay.

Most ringside observers proclaimed it the fight of the year, and many said it ranks up there with the best of all time. Time will tell if it continues to be held in that high esteem - which may be difficult since it was in a lower weight class and only before a crowd of 5,168 - but it absolutely had the round of the year to this point and one for the ages.

The first nine rounds were fought mostly toe to toe, with Corrales leading on two of the three judges' scorecards. In the 10th round, Corrales, the-180 favorite, was knocked to the canvas not once but twice. Corrales spit out his mouthpiece after each knockdown and had another point deducted by referee Tony Weeks for stalling, so Castillo was clearly in control and moved in to finish him off.

The extra time Corrales received to get a replacement mouthpiece was just enough for him to catch his breath and shake off the cobwebs. Even with his left eye swelling, Corrales delivered a crunching left hook that sent Castillo into the ropes. Corrales then delivered four blows to the head before referee Tony Weeks stopped the fight after seeing Castillo go limp and unable to defend himself.

If Trinidad-Wright is one-tenth as thrilling as this one, it won't be a disappointment.

* In other boxing news, various news outlets Tuesday were reporting that James Toney, who defeated John Ruiz for the WBA heavyweight title at Madison Square Garden on April 30, tested positive for steroids in his post-fight test. It is expected that Toney will be stripped of the title and the belt will go back to Ruiz. The New York State Athletic Commission has also asked that the result of the fight be changed to a no-decision.

Unfortunately for Ruiz bettors, the wagering result stands, just like a horse race that is changed by stewards at a later date.

<B>Phone accounts dwindling</B>

Boyd Gaming will be closing its sports betting phone accounts effective June 1, according to Bob Scucci, director of race and sports book operations at the Stardust, which acts as the hub for the Boyd Gaming group. Scucci said account holders will need to go to the property - other Boyd properties include Sam's Town, the Fremont, the California, Main Street Station, and Joker's Wild - where they signed up in order to close their accounts.

This will leave the only phone accounts in town at the Station Casinos, the Leroy's chain of books, and the Coast Casinos, a wholly owned subsidiary of Boyd Gaming and the one expected to pick up the bulk of their phone business.

The Coast Casinos also have the only race-betting phone accounts in town.

<B>City celebrates 100 years</B>

<table width="300" align="right" border="0" cellpadding="0" cellspacing="0"><tr><td align="center"><img src="http://www.drf.com/banner_ads/advert_70x8.gif" width="70" height="8" border="0"></td></tr><tr><td><script language="javascript">AdVert('DRF','NEWS.SPORTSBETTING','300','250','EDIT300'); </script></td></tr></table>

Anyone visiting Las Vegas this weekend will be walking into a huge party atmosphere to celebrate the city's centennial anniversary. Most of the events have been aimed at locals, but tourists, of course, are also invited to join in the festivities.

Events are being held all over the valley this weekend (a full schedule can be found at www.lasvegas2005.org), with the biggest concentration in downtown Vegas. For decades, the city's annual festival was called Helldorado Days, and that is being resurrected for the centennial. In addition to a Western village that is set up downtown with an old-West post office, a livery stable, and a general store, the highlights include the Helldorado Days Parade at 10 a.m. on Saturday and a re-creation of the May 15, 1905, land auction that created the city, at 10 a.m. on Sunday by the Golden Gate Hotel-Casino.

<B>Sports book notes</B>

The Nextel Cup circuit has its third night race in four weeks this Saturday, when the Chevy American Revolution 400 takes place at Richmond International Speedway in Virginia.

Based on odds at Station Casinos, this should be one of the most competitive races of the year. While favorites in these stock car races are usually in the range of 4-1 to 7-1 depending on the track, this week has Jimmie Johnson, Ryan Newman, and Kasey Kahne as co-favorites at 10-1 apiece. Right behind them are Jeff Gordon, Dale Earnhardt Jr., Kurt Busch, Greg Biffle, and Mark Martin all at 11-1, and Tony Stewart at 12-1.

* Checking the futures for the Nextel Cup driver's title, Johnson, the current leader, is the 5-2 favorite, with Gordon at 7-2 and Busch, the defending champ, at 5-1. Biffle, who was a longshot at the beginning of the year but has been red-hot of late, is the fourth choice at 6-1.

* The Arena Football League is heading into its final two weekends of the regular season, with most playoff berths still up in the air. The local team, the Gladiators, visits the Los Angeles Avengers at 7:30 p.m. Saturday. The Gladiators, who are 4-point underdogs, will try to avenge a loss to the Avengers earlier in the season. After this weekend, the Gladiators could either be tied with the Avengers for the lead in the Western Division, or they could be out of the playoff picture altogether.

The only home underdog this weekend is the Arizona Rattlers +4 vs. the San Jose SaberCats on Saturday night. The Gladiators could use an upset here, since they're battling the SaberCats for a playoff spot.

* Tickets are still available for ArenaBowl XIX, the first neutral site championship game in arena history, at the Thomas & Mack Center at 11:30 a.m. on June 12.

LOAD-DATE: May 13, 2005

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Copyright 2005 The Tribune Co. Publishes The Tampa Tribune
Tampa Tribune (Florida)

May 12, 2005 Thursday
FINAL EDITION

SECTION: BAYLIFE; Pg. 1

LENGTH: 762 words

HEADLINE: Spanish Voice Of Boxing To Call St. Pete Star's Bout

BYLINE: WALT BELCHER, wbelcher@tampatrib.com

BODY:

By WALT BELCHER

wbelcher@tampatrib.com

TAMPA - When Mario Diaz was a teenager growing up in Las Vegas, he dreamed of being ringside at the major prizefights on the strip.

It didn't take long for the dream to come true.

"Now, not only am I ringside, but I get paid to be there," says the 32-yearold news anchor, who will head to Vegas this weekend.

He'll be at the MGM Grand when St. Petersburg boxer Winky Wright takes on Puerto Rican superstar Felix "Tito" Trinidad on Saturday night.

Diaz, the morning co-anchor on WTSP, Channel 10's, "Morning Around the Bay," moonlights as the blow-by-blow announcer for HBO and ESPN simulcasts in Spanish.

The Saturday bout will be televised via HBO's pay-per-view service. Diaz will be sitting near the HBO on-camera coverage team of Jim Lampley and Larry Merchant.

Diaz may not be seen, but he will be heard. Since 1992, he has been the voice of boxing for millions of Spanish-speaking fight fans.

"I've got the best of two jobs," he says. "I love living in the Tampa Bay area and anchoring the news. And I also get my boxing fix at least a halfdozen times a year."

He says he is excited about this fight because Wright is from St. Petersburg and that's a local connection that he likes.

Trinidad is favored but Wright, who has never been knocked out, could pull an upset, Diaz says.

Considered the world's best 154-pound boxer, Wright is moving up to middleweight to battle three-time world champion Trinidad.

"There is so much drama in every fight, and until they get in the ring, you never know what will happen," Diaz says.

Diaz, who is single, joined Channel 10 in 2002. He had been looking for a change - from sports to news

anchoring. WTSP made the right offer at the right time, he says.

Diaz has been calling fights since he was 19. He attended the University of Nevada, Las Vegas, majoring in mass communications.

He left school a few credits short of graduation after landing a broadcasting job and intends to get that degree one day.

In The Company Of Legends

A former sports anchor at KTNV-TV in Vegas, Diaz has

called more than 110 fights, including the major matchups from the past decade: Evander Holyfield vs. Lennox Lewis; Mike Tyson vs. Holyfield; Tyson

vs. Lewis; Holyfield vs. Riddick Bowe; Oscar de la

Hoya vs. Julio Cesar Chavez; and many more.

Dave Harmon, HBO vice president of production and

senior producer of boxing, says Diaz is an important part of HBO's coverage.

"Our Latino viewers are hard-core boxing fans, and

Mario wouldn't last if he wasn't doing a good job," Harmon says. "They wouldn't tolerate anyone who couldn't do it right in Spanish. They love him."

Diaz, who is single, has a "boxing room" in his Tampa condo filled with posters from his favorite fights and an autographed punching bag.

He has met many legends, including Muhammed Ali and

George Foreman.

"The electricity that buzzes through the crowd before the fight cannot be explained," he says.

"There's a rush that reaches its pinnacle after the fighters are introduced and are standing in their corners. There's a nine-second gap before that first bell when the excitement is so thick you can't cut it."

Diaz's parents are from Chile. He was born in Los

Angeles and grew up in Las Vegas, where his father worked as an engineer.

Memorable Nights Ringside

The first major fight Diaz saw in Vegas is one of his favorites: Julio Cesar Chavez vs. Meldrick Taylor in 1990.

"It was before I started calling the fights," he says.

Diaz recalls, "Taylor was lightning and Chavez was

thunder."

Taylor, a younger, undefeated former Olympic boxer,

threw fast punches and appeared stronger than Chavez.

"Taylor kept moving to the right to avoid Chavez's right hook, and he seemed to have his way for most of the fight," Diaz says. "But in the last minute, lightning struck. Taylor got cocky; Chavez saw an

opening and threw a knockout punch."

Another memorable fight for Diaz was Trinidad vs. Bernard Hopkins.

"It was the first fight in Madison Square Garden after the terrorist attacks of 9/11, and it was an awesome night," Diaz says.

There were worries about more terrorist attacks, he says. And there was thunderous applause for the national anthem and so much emotion in the crowd.

Before each fight, Diaz does his homework, researching each fighter's history.

He also tries to interview each fighter. He says his goal is to call each fight as though he "is painting a picture with words."

"It's the same as news reporting - you are telling a

story, only you are describing it as it happens."

Reporter Walt Belcher can be reached at (813) 259-7654.

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GRAPHIC: PHOTO 2
Tribune photo by CLIFF McBRIDE Ringside announcer Mario Diaz is such a fan, he keeps a punching bag and posters in his Tampa condo. Tribune photo by CLIFF McBRIDE Mario Diaz has called more than 110 fights and many major matchups in Spanish since he was 19 and lived in Las Vegas.

LOAD-DATE: May 14, 2005

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Copyright 2005 Winston-Salem Journal
Winston-Salem Journal (Winston Salem, NC)

May 12, 2005 Thursday, METRO EDITION

SECTION: B; Pg. 1

LENGTH: 717 words

HEADLINE: PANEL DISCUSSES PROBLEM GAMBLING
PROPOSAL FOR LOTTERY FAILS TO INCLUDE PROGRAM TO HELP COMPULSIVE GAMBLERS, SENATORS TOLD

BYLINE: By David Rice
JOURNAL RALEIGH BUREAU

DATELINE: RALEIGH

BODY:

North Carolina is one of just two states that don't offer programs to help problem gamblers, and senators crafting a bill to create a state lottery say that a program to help compulsive gamblers should be included.

Neither the lottery proposal passed by the state House last month nor the lottery provisions passed by the state Senate as part of the chamber's budget proposal last week provides for a program to deal with problem gamblers.

After the Senate Lottery Committee had a hearing on the topic yesterday, Sen. Tony Rand, the committee's chairman, said he has always included such programs in past lottery bills. "I've always included it, but we got pushed for time and I didn't include it (in the budget). I think it needs to be in there," said Rand, D-Cumberland. "We're one of two states that doesn't have a program now. So obviously, it's something we should've thought about."

Legislators could give the responsibility for running such a program to the commission that would be appointed to manage the lottery, Rand said.

Senators on the panel heard a variety of views on how big a problem compulsive gambling could be if the state starts a lottery.

Ken Leavenbook, a staff attorney, reported that the National Gambling Impact Study Commission reported that 5 percent of all gamblers turn into compulsive gamblers - but that state lotteries have little effect on compulsive gambling. Congressional researchers also challenged the 5 percent rate that the commission reported, he said.

But the Rev. Mark Creech of the Christian Action League of North Carolina said that a lottery would create roughly 400,000 compulsive gamblers who would face higher rates of divorce, job loss and even suicide.

"How can the state justify pushing the lottery, knowing it will be addictive to a certain segment of our society, and then say it's for the children? I suggest to you that that's a high form of hypocrisy," Creech said.

And Jim Van Hecke of the Addiction Recovery Institute, a former chairman of the N.C. Democratic Party, said that a balanced lottery program should include assistance for problem gamblers.

Van Hecke noted that South Carolina's gambling hotline gets regular calls from players in North Carolina. "There are some problems, and I dare say they'll be increasing those problems," he said.

Smith Worth, a clinical social worker at the University of North Carolina at Chapel Hill, told the committee that 48 states have gambling-addiction treatment programs that include help lines and public-awareness campaigns.

Such programs, Worth said, are usually are paid for with 1percent of lottery revenues. The annual budget is typically from $1.2 million to $2.5 million, although Kentucky has a budget of more than $4 million. The average cost of treating a

problem gambler is $1,700, she said.

But Worth told the committee that there is generally less pathological gambling associated with lotteries than with sports betting, video poker, slot machines and other, more aggressive, forms of gambling.

Sen. Dan Clodfelter, D-Mecklenburg, said he wants to know more about the rate of compulsive gambling in North Carolina and whether such programs work.

"How do we know these are anything other than just something to make us feel good?" Clodfelter said.

And some senators questioned just how you would define a gambling addiction.

"I know people who have gambled on the stock market and are very addicted to it. I know some people who have lost their homes and everything," Sen. David Weinstein, D-Robeson, said.

"Everything in life's a gamble. You gamble crossing the street. Some of our biggest gamblers are farmers who every day plant things in the ground," he said. "You have a better chance in Vegas than you do farming."

Mike Robertson, the director of the N.C. Alcohol Law Enforcement Division, said that the state could be expected to have about 5,000 lottery outlets and with them might come an increase in "standard human crimes."

"I think you will have embezzlements. You will have stolen lottery tickets," Robertson said.

In general, he said, neighboring states have not seen a big increase in crime related to sale or possession of lottery tickets.

David Rice can be reached in Raleigh at (919) 833-9056 or at drice@wsjournal.com

GRAPHIC: Photo , Sen. Tony Rand

LOAD-DATE: May 13, 2005

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FDCH Political Transcripts

May 12, 2005 Thursday

TYPE: COMMITTEE HEARING

LENGTH: 41655 words

COMMITTEE: HOUSE WAYS AND MEANS COMMITTEE

HEADLINE: U.S. REPRESENTATIVE WILLIAM M. THOMAS (R-CA) HOLDS HEARING ON SOCIAL SECURITY REFORM

SPEAKER:
U.S. REPRESENTATIVE WILLIAM M. THOMAS (R-CA), CHAIRMAN

LOCATION: WASHINGTON, D.C.

WITNESSES:
LAWRENCE B. LINDSEY, PRESIDENT AND CHIEF EXECUTIVE OFFICER, THE LINDSEY GROUP
ROBERT C. POZEN, CHAIRMAN, MFS INVESTMENT MANAGEMENT
SYLVESTER J. SCHIEBER, VICE PRESIDENT, WATSON WYATT WORLDWIDE
C. EUGENE STEUERLE, SENIOR FELLOW, URBAN INSTITUTE
KENNETH S. APFEL, SID RICHARDSON CHAIR IN PUBLIC AFFAIRS, LYNDON B. JOHNSON SCHOOL OF PUBLIC AFFAIRS, UNIVERSITY OF TEXAS AT AUSTIN
LAWRENCE A. HUNTER, PH.D., VICE PRESIDENT AND CHIEF ECONOMIST, FREE ENTERPRISE FUND, AND SENIOR RESEARCH FELLOW, INSTITUTE FOR POLICY INNOVATION
JASON FURMAN, NON-RESIDENT SENIOR FELLOW, CENTER ON BUDGET AND POLICY PRIORITIES, AND VISITING SCHOLAR, NEW YORK UNIVERSITY WAGNER GRADUATE SCHOOL OF PUBLIC, SERVICE
MICHAEL TANNER, DIRECTOR, CATO INSTITUTE PROJECT ON SOCIAL SECURITY CHOICE

BODY:
(CORRECTED COPY: COMPLETES TEXT)

U.S. HOUSE COMMITTEE ON WAYS AND MEANS HOLDS HEARING
ON ALTERNATIVES TO STRENGTHEN SOCIAL SECURITY

MAY 12, 2005

SPEAKERS:

U.S. REPRESENTATIVE BILL THOMAS (R-CA)
CHAIRMAN
U.S. REPRESENTATIVE E. CLAY SHAW JR. (R-FL)
U.S. REPRESENTATIVE NANCY L. JOHNSON (R-CT)
U.S. REPRESENTATIVE WALLY HERGER (R-CA)
U.S. REPRESENTATIVE JIM MCCRERY (R-LA)
U.S. REPRESENTATIVE DAVE CAMP (R-MI)
U.S. REPRESENTATIVE JIM RAMSTAD (R-MN)
U.S. REPRESENTATIVE JIM NUSSLE (R-IA)
U.S. REPRESENTATIVE SAM JOHNSON (R-TX)

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U.S. REPRESENTATIVE J.D. HAYWORTH (R-AZ)
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U.S. REPRESENTATIVE DEVIN NUNES (R-CA)

U.S. REPRESENTATIVE CHARLES B. RANGEL (D-NY)
RANKING MEMBER
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U.S. REPRESENTATIVE SANDER M. LEVIN (D-MI)
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U.S. REPRESENTATIVE MIKE THOMPSON (D-CA)
U.S. REPRESENTATIVE JOHN B. LARSON (D-CT)
U.S. REPRESENTATIVE RAHM EMANUEL (D-IL)

*

THOMAS: The chair apologizes to the committee on the lateness of the beginning of the meeting.

The chair also would like to announce that with the departure of our friend and colleague, Rob Portman from Ohio, from the Ways and Means Committee and, indeed, the House of Representatives to become the United States Representative, we had a vacancy on the committee. The structure within the Republican Conference met, and the gentleman from California, Mr. Nunes, was named to the committee on a seating basis. That required the committee to restructure itself on subcommittees, and the chair presents that to the committee.

With that, I would like to move to the principal order of business before the committee, and that is to begin to examine particulars within the area of our jurisdiction of Social Security.

The last time this committee looked seriously at Social Security was in 1983. To give you an idea of how much the world has changed, all you have to do is look at this committee. There are only three members that are currently on this committee that were on the committee in 1983 — the gentleman from New York, Mr. Rangel; the gentleman from California, Mr. Stark; and myself. I was the only member of the committee currently here on the Social Security Subcommittee.

At that time, to a very great extent, our effort was to literally save Social Security and, in fact, had to delay the COLAs to be able to meet payments. That truly was, in any definition of the term, a crisis.

What probably disappointed me the most was that notwithstanding our response to meet that need, we never did do what I thought we should have done at that time, was to examine some of the — I think could use the term — inequities that occurred over time as society aged and the way in which people worked, especially women in terms of the home and outside the home, the age difference in terms of longevity of our seniors, and a number of other aspects that were internal to Social Security that probably needed adjustment at that time and that now, as the chair of the Ways and Means, I feel very strongly about that we need to address.

I'm pleased that a number of our witnesses address them specifically, and I will be asking questions directed at what some folk will think are secondary issues. But, if we're going to look at this stuff once every quarter of a century, I think we do need to look at how much this society has changed and how we need to change the structure. We're going to do it at the full committee, and we're going to do it at the subcommittee.

I'll recognize for the remainder of my time the gentleman from Louisiana, the chairman of the Social Security Subcommittee.

MCCRERY: Thank you, Mr. Chairman.

I commend President Bush for focusing on this issue and bringing the attention of the American people to this issue that begs for action by the Congress. I also commend the chairman of the full committee, Mr. Thomas, for scheduling this series of hearings that we hope will provide the committee with sufficient options, information, knowledge to address the problems associated with the Social Security program.

In the past, we've had a pay-as-you-go program funded by payroll taxes of the current generation of workers to pay the current generation of retirees, and, in the past, that's been a reasonable approach due to the large number of workers compared to the number of retirees.

Unfortunately, for those who might really like the pay-as-you-go system, demographic changes are taking place, have taken place, and are continuing to take place in our country which, in my opinion, makes the pay-as-you-go system less viable and perhaps even unsustainable.

So I think it's incumbent upon this committee, as the committee of jurisdiction, to examine ways of financing the Social Security system that are smarter, better, particularly in view of the burden on future generations that a pay-as-you-go system might place.

So, Mr. Chairman, I look forward to hearing from these distinguished gentlemen who have undoubtedly spent many hours thinking about the Social Security system and how to finance it and look forward to their testimony.

THOMAS: I thank the gentleman.

In some instances, it's literally years, and that's why we're privileged to have the witnesses in front of us.

The gentleman from New York?

RANGE: Thank you, Mr. Chairman.

Most of my time, I will be yielding to Congressman Levin to deal with the question of Social Security.

I really personally and politically think that this sensitive issue screams out for bipartisanship. I think the president's 60 cities in 60 days did more to polarize. I thank you for your bipartisan approach to this panel since you have six people supporting private accounts and two that are not. This is a long way in terms of working together.

We're going to have a problem here, and I think we're starting this off as a problem by not discussing with any of the members the direction we're going in by making privatization the one issue that we truly believe is like putting Kool-Aid on the table if we're going to in a bipartisan way try to save this system, and, as long as this is on the table, we're going to have a problem talking.

I yield to Mr. Levin.

LEVIN: Thank you, Mr. Rangel.

As you've said, this hearing is a continuation of the course that was set out upon by the president in the state of the union, diverting money from Social Security to set up private accounts. The president set out that course, as said in the state of the union, and he sent his administration out on a 60-day tour to promote it. He held recently a press conference

at the White House where he reconfirmed that commitment and really smoothed the way for the middle-class benefit cuts that are inherent in private accounts.

Our chairman, Mr. Thomas, is now suggesting that we surround this basic issue with assorted other issues, but in this case — and I want to emphasize this — the Democrats and the American people will not lose sight of the tree being cut down in the middle of the forest.

A brief look at history: Our president, when he ran some decades ago, was for private accounts, and, in the '90s, Mr. Thomas, our chairman, introduced legislation to privatize Social Security, and, under that, half of the payroll taxes would have been diverted into private accounts and guaranteed that Social Security benefits would have been cut in half.

Today, as Mr. Rangel mentioned, the six witnesses brought forth by the Republican majority have all supported privatization of Social Security.

So let me just say clearly, with that as the primary goal here of the administration, we stand in opposition to that, united with the American people, not because we oppose new ideas, but because we're opposed to bad ideas, including the deep benefit cuts, the diversion of Social Security monies in trillions to risky private accounts, and then the added benefit cut to the guaranteed benefit that would come from the offset, and also the huge amount of borrowing.

All of these changes would destabilize Social Security, undermining the strong public support that has ensured it for generations of Americans — generations — and no amount of tweaking or combining it with other provisions can make that a good idea. With private retirement programs — and we've heard this increasingly — built on shifting sands, Social Security stands as the basic guaranteed foundation for retirees, disabled workers and surviving young children.

So I want to emphasize in closing what Mr. Rangel has said. It's our hope in this hearing that we can have a real discussion of what privatization would mean, and, in doing so, our hope is that our colleagues will come to the conclusion that most Americans have already reached — the President should drop his demand for private accounts — and, in doing so, allow us to work in a bipartisan way, as was done 20-some years ago, to strengthen Social Security and to ensure that it continues providing guaranteed benefits in the future.

THOMAS: The chair thanks the gentleman, and the chair looks forward to working with the gentleman from Michigan in preparing a members' panel for which he can provide members of his party to discuss their plans for saving Social Security on an ongoing basis.

The chair welcomes the panel.

I know members look at the witnesses' testimony prior to the hearing. I want to thank all of you because, taken in its entirety, it is one of the best syllabuses I've seen in going over the arguments pro and con.

The chair, to his ability, would allow any of you to finish your sentences at this hearing. That wasn't necessarily the case at other hearings that I've noticed in terms of an attempt to discuss programs.

Members are anxious to question you. We're each only going to have about five minutes. I don't know how long some of you can stay. The chair is prepared to stay as long as is necessary to have as full and complete discussion as possible.

I'll be making comments after you've provided us with your oral testimony. I will say to all of you that, without objection, your written testimony will be made a part of the record.

I'll just begin over to my left, and we'll just move across the panel.

Mr. Tanner, there is no indication of the fact that you have a temporary location on the dais means anything about your presentation. It's just that this is one of our larger panels, but the chair thought that it would be much better to have all of you together so you can actually have a dialogue among yourselves as well, rather than, say, run two panels and then have someone say, "The previous panel said," et cetera. So the chair apologizes, but I think, in the end, we'll have a much better chance of having as full a discussion as possible in the limited timeframe that we have.

And, with that, Mr. Lindsay, if you'll address us in any way you see fit with the time that you have.

LINDSEY: Thank you, Mr. Chairman. Thank you very much for the invitation to be here today.

I must say it's a pleasure. It's a particular pleasure since on the floor of the other body yesterday I was referred to as the late Larry Lindsey. I can assure you that it's a pleasure to be here alive and kicking.

It's surprising to me that the discussion of Social Security and promoting national savings has not been at the center of the debate. Last year, we Americans spent on consumption, investment in government, $1.06 for every dollar we earned.

We balanced our collective checkbook only by selling assets we owned and by borrowing directly from foreigners, including institutions like the People's Bank of China to whom one might prefer not to be increasingly indebted. This borrowing is directly tied to an ever-growing trend for us to consume foreign-produced goods at the expense of American production.

Done right, the reform process offers enormous potential for improving our savings.

LINDSEY: The first part of any credible Social Security reform plan is to permanently eliminate the actuarial deficit in the system. Currently, the system has promised to pay out, in present value terms, $11 trillion more than it will collect in revenue. There are a number of ways of closing this gap, but with different implications for national saving.

For example, it would take a 28 percent increase in payroll taxes, enacted now, to make sure that the government collected all the money it needed to meet benefit promises over time. This would, if three conditions were met, temporarily increase saving.

First, the government would have to not spend the extra revenue on non-retirement spending. Second, the adverse effects of the tax increase on the economy must not lower government revenue from non-payroll sources. And third, private citizens, faced with declining disposable incomes, must cover the entire shortfall from reduced consumption, not by increasing their saving.

It is unlikely that these three conditions were met, but even if they were, the savings increase would be temporary. Once Social Security payments caught up with enhanced revenue, the plan would forever be moving money from one set of people who would spend the money — workers — to another set of people who would spend the money — retirees.

So, even in the best case, a tax increase would do nothing to increase national saving over the long run. But because these conditions are unlikely to be met, a tax hike would not produce the intended amount of increased national savings even in the short run and would likely lower national savings in the longer run. The combined adverse effects on existing personal saving and the disincentive effects on working and on entrepreneurship are likely significant.

This would be particularly true of ideas to raise or eliminate the wage cap that determines both Social Security taxes and Social Security benefits. For example, Martin Feldstein calculated that eliminating the cap would reduce net federal revenue since the behavioral response by entrepreneurs to a tax hike that took their tax rate back up to nearly 50 percent would reduce federal income tax revenue as well as produce lower than expected payroll tax receipts. Moreover, such entrepreneurial income that would be taxed would have funded business fixed investment.

The second way to bring the system into balance is to change the formula for determining benefits now, in a way that gradually reduces the current growth rate in real benefits. Currently, Social Security projects a 50 percent increase in benefits, even after inflation, over the next half century. The system would be brought into balance by limiting future benefits to the level of benefits enjoyed by those retiring from the system now, while fully indexing those benefits to inflation.

This could even be coupled — and I would think it's a good idea — with a generous minimum Social Security benefit, thus making the system both more progressive and providing a better safety net, with little adverse effect on national saving. The $11 trillion savings to the Social Security system of doing this could be viewed as a one-time improvement in the federal government's balance sheet by that amount, with an equivalent reduction for future retirees, as benefits would not rise as fast as they might now expect.

Still, national saving would likely rise as a result. In order to maintain the level of consumption in retirement that the government previously promised, but could not deliver, individuals would have to gradually increase their personal saving during their working lives.

This might not be easy for some folks. So a second part of any Social Security reform that promotes national saving should include a personal account plan that helps people save and learn the benefits of saving by watching their own accounts grow.

Most personal account proposals, including the president's, would allow workers to use a portion of payroll taxes currently collected and direct them into a personal account. It's been widely noted that any shortfall to meet current

benefits would be met by government borrowing and therefore, that personal accounts that are funded by government borrowing do not raise national saving directly; it simply increases government borrowing to fund private saving.

What is not widely understood or reported is that for individuals to establish such an account, his or her regular Social Security benefit would be adjusted prospectively by the amount of any payroll tax that was diverted into the personal account plus interest. As a result, there is no added strain on Social Security resources.

In fact, the system as a whole is made better off since funds are automatically transferred from years where the system has a surplus, or a relatively modest shortfall, to years when the shortfall is much bigger. Properly designed, Social Security personal accounts strengthen, and do not weaken, the solvency and safety of the Social Security system.

So long term national saving...

THOMAS: Mr. Lindsey, let me indicate since you're the first and all of you really want to put 1.5 pounds of sugar in a 1-pound bag, that hopefully, as we discuss, the other points will come out. But to be fair, because I'm going to hold members to five minutes as much as I can, if you'll kind of sum it up, the chair would appreciate it.

LINDSEY: I will do that, sir.

What I would recommend as a personal account plan to promote savings, is that what we have is individuals contribute an additional contribution, that that be matched in a progressive way from the government revenue.

The resulting accounts would build up much more quickly, generate more earnings and provide far more funds for retirement. The employee's contribution would not affect Social Security defined benefit in any way. But, as in the president's plan, the Social Security system would be made whole for any diversion of existing payroll tax.

This proposal is not a "carve out." Nothing is carved out or removed from the Social Security system. The dollars allocated to personal accounts impose no additional strain on the system.

This proposal is not an "add on." There is no new entitlement. In fact, adding yet another entitlement to our system would be among the worst things we could do for national saving.

So given the critical importance of saving for our nation's future, I think this approach is the best way of promoting savings over the long run.

Thank you, Mr. Chairman.

THOMAS: Thank you, Dr. Lindsey.

Mr. Pozen?

POZEN: Thank you very much, Mr. Chairman, for this opportunity to testify. Let me begin by explaining progressive indexing, my proposal, and then I would address some issues that have been raised about that proposal.

Progressive indexing divides workers into three main groups: low-wage workers, high-wage workers and medium-wage workers. Low-wage workers would be everyone at $25,000 in average career earnings. And we would preserve totally all of their scheduled benefits. We'd also preserve everyone's benefits who is in retirement or who would retire before 2012.

High-wage workers would be defined as $113,000 in average career earnings and higher. And we would price index their wages, their Social Security benefits, so they would grow, but they grow more slowly than the current schedule.

And everyone in between, the median-wage workers, would receive a mix of price and wage indexing. That means that all of them would have their benefits grow more than the CPI, but not as much as the current schedule.

What's the rationale for this proposal? I believe that when Social Security was passed, there were no IRAs, 401(k)s. There weren't really even very much in defined benefit plans.

Now in 2004 alone, the tax revenue foregone for IRAs and 401(k)s was roughly $55 billion. And if we include all retirement programs, it was $100 billion in that year alone.

Most of those tax subsidies go to high-wage and, to some degree, middle-wage workers. And so I believe, in order to create neutral government support among wage groups, we need to do more for low-wage workers in Social Security because very few of them have retirement programs like 401(k)s or IRAs and they're totally dependent on Social Security.

Now three main questions have been raised. They are technical questions I deal with in my testimony.

One is some people say, "Well, it's nice that you protect the low-wage worker, but what about the middle-wage worker?" At $25,000 in career earnings, that constitutes roughly 30 percent of all workers who retire in the United States.

And if we look at the median-wage worker, I think it's really too easy a criticism and, I think, an unfair criticism to say that those people are going to get less than scheduled benefits. If we have a large deficit and we protect low-wage workers, we're going to have to grow the benefit slower for someone.

If we look at the median-wage worker in 2045, yes, it is true; that person would get, under progressive indexing, 16 percent less than the schedule of benefits. But if the system was not subject to a major reform, there would be an automatic, across-the-board cut at that point and that person would suffer a 27 percent decrease in benefits. So we really need to think about it in that way.

And another, a second criteria, is purchasing power. In 2045, under progressive indexing, the median worker would be looking at a 20 percent increase in the purchasing power of their Social Security benefits relative to today.

So yes, there is a reduction from the schedule, but it's actually much less than if the system defaulted and, most importantly, for almost all workers under progressive indexing, they would get a substantial increase in purchasing power.

Secondly is people say, "Well, I would like to have milder reductions from the schedule in the middle-wage workers." And I think that is a fair point. It's a political point that you'll have to address.

I think we have to just be realistic about what are the other alternatives? I've suggested in my testimony that you could have a milder version of progressive indexing if Congress were willing to do something on the retirement age.

And I suggested, for instance, between the years 2055 and 2079, you could move the retirement age back gradually from 67 to 69. That would be consistent with longevity expectations and it would allow you to put less freight on progressive indexing.

We also know that people have suggested increases in payroll taxes of more revenue into the system. And again, I think it's something that can be seriously considered. But people need to be realistic about how much you could get from various payroll tax increases.

For example, if we were, by 2012, the year progressive indexing begins, if we were to raise the payroll tax base from $90,000 to $150,000 and apply 12.4 percent, that closes roughly one-quarter of the deficit of Social Security. So we would still have to do substantial amount of work on the benefits side.

I believe that such an increase in the base from $90,000 to $150,000 is unfair to the workers in that wage group and that a fairer way to do it would be to have a much lower number, like 2.9 percent, and have that applied from $90,000 all the way up to include all earnings, roughly on the Medicare model. But again, that would only reduce the long-term deficit by about a quarter. So we have to get realistic that even if we have more revenue in the system, which some members want to do, we still would have to combine that with some benefit constraints.

The third issue — and it's clearly a most controversial issue as a number of congressmen have made clear — is the personal account. I've shown in a number of papers how progressive indexing could be combined with a two percent account, along the lines that the president has suggested.

But I want to make clear — and I've tried to in my testimony — that progressive indexing can stand alone. It alone closes 70 percent of the long-term deficit of Social Security, going from $3.8 trillion to $1.1 trillion. Or it can be combined with various sorts of personal accounts.

I strongly believe that it's useful as part of a package to have personal accounts because it's very difficult to say to people, "Well, we're just going to have some benefit constraints and some payroll tax increases."

But I think we need to be creative in thinking about the personal accounts. I know Chairman Thomas has suggested that we broaden the discussion. And I've tried to suggest a number of things.

We could have basically enhancements to IRAs. If we're going to slow the growth of benefit for median and higher workers, we could take the cap off the Roth IRA. That would be something that would match with slowing the growth of benefits of high-wage workers.

We could also increase the low-income tax credits that are now available for people roughly below $30,000 or $35,000. We could expand that to help the median workers.

And lastly, I would say that we can take this idea of a 2.9 percent surcharge above the base and we could think of it in two parts. We could think of it as 1.45 percent going towards solvency and the other part as being actually something similar to what Larry Lindsey just suggested, as sort of a presumptive enrollment in an IRA, so that that 1.45 percent could go into an IRA. But if people didn't want to do it, if workers didn't want to do it, they could opt out.

POZEN: So I think you could think of this 1.45 percent as the blind, as part of the payroll tax surcharge above the $90,000 base. And you could also think of a similar thing applied to all workers. All workers would have 1.45 percent presumptively put into an IRA. But if they didn't want to do that, if workers didn't want to do it, they could opt out.

This would be a way in which we could encourage retirement savings, get over the inertia that a lot of people have in retirement savings and help build up these other sources of retirement income if, as I think we will have to come to grips with, that Social Security benefits were going to have to slow down the growth somewhat.

Thank you very much, Mr. Chairman.

THOMAS: Thank you, Mr. Pozen. I said I'd try to make sure you were interrupted. I didn't say I wouldn't try to cut you off.

(LAUGHTER)

POZEN: I appreciate that.

THOMAS: There's a difference.

Dr. Schieber, nice to have you with us. Thank you for your testimony.

SCHIEBER: Thank you very much, Mr. Chairman, members of the committee.

In my day job, I work for a company that often works with employers on the redesign of their retirement plans. In these projects, there's a tendency, in many cases, to move right to restructuring the plan without stepping back and thinking about the principles that are trying to be achieved in doing so.

And in my prepared testimony, I actually lay out a set of principles that you might consider. I arrived at these by considering the historical goals that have been behind this system.

One thing many people do not realize is that Franklin Roosevelt played an extremely active role in formulating his proposals on Social Security. One aspect of his recommendation was — that was most important to him — was that the system be funded as benefits were accrued.

He said to do otherwise would lead to massive unfunded obligations that would burden future congresses unfairly. The original legislation called for substantial funding of the pension obligation. Yet FDR's wishes were never fulfilled.

Some policymakers wanted to use the accumulating trust funds to increase benefits to early recipients; others were concerned that the accumulating trust funds were not true funding, that the money was not being saved. By the early 1950s, the system was running on a pay-as-you-go basis.

This issue arose again after the 1983 amendments has arisen, as the trust funds have grown to more than $1.5 trillion. Yet, few people believe these assets are true pension funding.

Social Security today provides four kinds of insurance for active workers. It insures workers who die and leave juvenile children, that their dependents will be taken care of economically because they are no longer there to provide the means for their children's needs. No one is suggesting that this protection be significantly altered.

It also insures against disability. While this program deserves careful review because it itself is underfunded and because it's still relying on a definition of disability that is now a half-century old and because there are significant administrative problems, no one is suggesting that we eliminate this sort of protection from our system.

It insures against bad labor market outcomes in that it provides relatively larger benefits to low-wage workers. This is a form of insurance that is a public good and will only be provided by government. If anything, this form of insurance should be bolstered.

It also insures all of us against our own inability or unwillingness to begin preparing adequately for our retirement needs on a timely basis. It is this element of the system that FDR was adamantly committed to funding. And I believe he was absolutely correct in this insistence.

It is here, more than any other element, that I believe our current system is badly flawed. Leaving aside whether today's trust fund is real funding, according to the Social Security actuaries, last year the value of accrued benefits already earned under the system increased by $1 trillion more than the increase in the trust fund balances. As FDR said, "This is unfair to future generations."

Some people argue that the transition costs for moving to a system that accumulates assets and allows them to be sequestered from other governmental fiscal operations will create massive transition costs. They are confusing the transition costs that we have with the current system with the costs associated with personal account.

By the Social Security actuaries' estimates, the 75-year, pay-as-you-go system is underfunded by $4 trillion in present value terms. That means we need an extra $4 trillion in assets today or the present value of equivalent reductions in benefits or increases in taxes in order to balance the system.

We have a $4 trillion transition cost to deliver on current law. The cost of the sort of individual accounts that President Bush has proposed, by comparison, is trivial, as I show in Table 5 in my prepared remarks.

Having studied this system for nearly a quarter of a century now, I am totally convinced that Franklin Roosevelt was extremely prescient in anticipating our current difficulties if we fail to fund this program. Having grown up in this era as a boy, I'm particularly impressed by FDR's successor, Harry Truman, who often said that those who ignore history are condemned to repeat it.

We ought not leave for the next generation the problems we are not incurring because we now know that FDR was right and are paying the price for not living by the insurance principles that he demanded as the basis for Social Security.

Thank you.

THOMAS: Gene Steuerle, hi. Welcome back. I hope you and Mr. Apfel like the paint job. We've redone the room since you folks were back with us. But nice to see you and look forward to your testimony.

STEUERLE: Thank you, Mr. Chairman, Mr. Rangel, Mr. McCrery, Mr. Levin and other members of the committee and the subcommittee.

My testimony is largely driven by one major concern. Every year, we spend greater shares of our budget in areas where needs have actually declined. And then we claim that we don't have enough money left over for our children, for education, for young adult men and others whose real needs are growing or remain unattended. Right now, our legacy is to bequeath a government to our children whose almost sole purpose is our consumption in retirement.

In my testimony, I address four major issues largely neglected in the debate on Social Security so far. First, close to one-third of the adult population is scheduled to be on Social Security. People already retire for about one-third of their adult lives. And that percentage is growing.

If people retired for the same number of years as when Social Security was young, they would retire about age 74 today and about age 78 in another 60 years; that is, 150 years approximately from when the system was first built.

Every year, larger shares of benefits are going to those who are middle-aged and smaller shares are going to those who are old. I have begged top officials from the White House to the AARP not to take the retirement age off the reform table.

And this is an analytic point — it's not an advocacy point — that any given tax rate that you're willing to comprise on, an increase in the retirement age allows us to increase lifetime benefits. It allows us to increase replacement rates. It allows us to increase annual benefits.

And it allows us to devote more resources to the truly old. And one reason is if people work longer, there are more revenues in the system to be distributed.

For similar reasons, if there are to be benefit cuts, an increase in working years causes among the least hardships of almost any benefit adjustment, again because there are more revenues in the system. Now admittedly, some groups have shorter than expected life expectancies. And we need to be concerned about them.

But come on, it is hardly protecting them to make it a national priority to give you and me and those among us who are healthy a 20th, a 21st and a 25th year in retirement so that we can supposedly protect the vulnerable. The way to protect vulnerable groups is to target provisions to them through things like minimum benefits.

Now a related means, I believe, that we can increase the labor supply and make your job of reform easier is to back-load benefits lower; that is to provide higher benefits to those who are truly owed in exchange for lower benefits up front for those who are a bit younger.

A second major concern I raise in my testimony is that Social Security is often quite unfair. Single heads of household, including these welfare recipients who we have now decided should work, as well as two-earner couples, face significant discrimination in the system.

Each can receive hundreds of thousands of dollars less in benefits than people who pay less tax, work less and raise less children and have less need. Some people get penalized for remarrying; others get bonuses for marrying trophy spouses and others for having or siring children later in life.

These problems can be addressed by applying to middle-and upper-income retirees the types of equal justice benefit rules that we apply in private pension plans. And again, through devices like minimum benefit, we can actually improve the lot of the vulnerable at the same time.

A third approach to reform is to change the defaults. Regardless of what other Social Security reform is undertaken, some rules should be adopted that automatically react persistent, projected deficits with balancing increases in retirement ages and are reductions in the rate of growth of benefits for higher-earning workers.

And last, a final set of proposals attempts to integrate in some tension an employee benefit reform, especially finding ways to increase pensions for lower-and middle-income workers. One conservative liberal compromise that has many side benefits would be to combine a higher wage base for Social Security with a cap on the inefficient tax subsidies not going to health insurance.

In conclusion, we can and should fix the system that now favors middle-aged retirement, that reduces the share of resources every year that go to the truly old, that discriminates against single heads of household and working couples and that, by default, automatically reduces the share of revenues available for children and for working families.

Thank you.

THOMAS: Thank you very much, Gene.

Welcome back, Mr. Apfel. The time is yours.

APFEL: Thank you, Mr. Chairman.

Mr. Chairman and members of the committee, I've many, many memories of time spent in this historic room. This room has been witness to many historic events, when members of Congress with differing views came together for the common good.

There are sharply divergent views today on how to proceed on Social Security. And my remarks today are designed to make clear my very deep concerns about the two key proposals now being put forward by the administration.

My hope, however, is that, as the debate unfolds, that this room will again be witness to action that brings us together for the common good.

The first proposal, of course, relates to the privatization of Social Security. The administration has proposed that these private accounts be established and then paid for through cuts in future Social Security benefits. Some workers may do better than current law and some worse. The winners and losers will be decided by the market.

In the case of a death of the worker, the private account would be passed on to heirs. But so would the future Social Security benefit cuts.

It's therefore also entirely unclear which spouses or family members will be better off or worse off under this scenario. With privatization, trying to retire at a time of down-market conditions can be a very risky proposition. And trying to buy an annuity at a time of economic instability can also be a risky proposition.

Frankly, I would hate to see a future U.S. Social Security commissioner urging America's older workers to just keep

working until the markets come back. Social Security ought to represent a foundation of support that can be counted on in retirement, no matter what happens to the markets.

Now the White House argues that current retirees will be unaffected by privatization proposals. I do not in any way question the sincerity of the White House on this matter. But the hard reality is that redirecting current payroll tax revenues erodes financings for Social Security, even if those revenues are somehow made up through trillions of dollars in government borrowing.

These changes destabilize Social Security's current financing mechanisms and call into question whether and how benefit commitments made to current retirees will be made in the years ahead. Privatization is simply not a safe bet for current retirees.

The president has also suggested that we change over to a system of sliding scale benefit reductions to reduce future benefit commitments. About 70 percent of future retirees, those with earnings over $20,000 a year, would face major cutbacks. Replacement rates would plummet.

In addition, many lower income survivors, divorced spouses and others would see their benefits reduced. Once fully phased in, almost all workers would receive the same benefits, regardless of lifetime earnings. This is a dramatic shift in Social Security policy because it breaks the link between what workers paid into the system, based on their earnings, and what they'd earn in Social Security benefits.

Now it's true that part of the proposal exempts low-income workers from this aspect of the proposed benefit cuts. And I want to point out that the core objective of a progressive reform is basically sound: to make the Social Security benefit structure somewhat more progressive and to soften the burden on low-income workers and restoring solvency.

In addition, people with higher earnings are, on average, living increasingly longer lives than lower-income workers, so higher-income workers are receiving an increasingly higher share of benefits over a lifetime. While I've argued that modest benefit changes could be made in this area, Social Security benefit cuts of the magnitude contemplated by the president's proposal, I believe, are inappropriate and risk the long-term economic security of the middle class.

Lastly, combining private accounts with these sliding-scale benefit cuts, as proposed by the White House, would lead to even more drastic cuts. After paying a lifetime of payroll taxes into Social Security, millions of persons would receive little or no Social Security defined benefit. This is due in part to deep and broad middle-class Social Security benefit cuts, coupled with the fact that private accounts would be paid for through even deeper reductions in Social Security defined benefits.

APFEL: If adopted, where would such a policy lead us? I believe the long-term sustainability of the Social Security retirement system would be in peril if such an approach was enacted. This assertion is not empty rhetoric. I believe it from the bottom of my heart.

What should we do? First and foremost, I do not believe that progress will take place until the issue to drop privatization has been made. We should drop consideration of privatizing part of Social Security.

Once privatization is off the table, if added retirement savings is desired, and it should be, it should not come at the expense of Social Security.

Second, Congress and the administration need to come to general agreement on whether added resources should be brought to bear to resolve the financing gap.

In addition, an agreement is needed on the overall magnitude of the problem that you're trying to resolve. I'm reminded of President Clinton's words after the failure of health reform. He bit off more than he could chew. I urge the committee not to fall into the same trap.

Rather than looking for permanent solvency by trying to solve a potential problem that may exist in 2100, I urge you to establish a more modest goal of success that would clearly be more easily achievable. Frankly, no one knows what our fertility rates or our economic growth rates would be like 100 years from now.

Third, once privatization is no longer under consideration, I believe that Congress and the administration need to come to agreement on the overall proportional mix of benefit and revenue changes needed to strengthen solvency.

At that point, coming up with the detailed proposals for change, while clearly still a significant task, is one that I

believe can be accomplished, taking into account the need for a more progressive benefit structure.

And fourth, reform must be truly bipartisan. During my tenure as commissioner of Social Security, I advised the Clinton administration and members of Congress on both sides of the aisle that a strong coalition for change must be truly bipartisan.

I do not believe that changes should be enacted now, as some have recently been advocating, through a strong majority of Republicans buttressed by a sliver of members from the Democratic side of the aisle. Changes to Social Security must represent all Americans.

Any other approach would only sow the seeds for future discord, when a long-term resolution of this issue is what the public really wants. In short, let's all come together and solve a manageable problem, not create a much bigger one by privatizing Social Security, and let's keep the word secure in Social Security for current and future generations.

THOMAS: Thank you very much, Mr. Apfel.

Dr. Hunter?

HUNTER: Thank you, Mr. Chairman. Thank you for allowing me to express the views of the Free Enterprise Fund and the Institute for Policy Innovation. In addition to my written statement, I have a set of design principles that the committee asked that I submit for the record, and I do so.

THOMAS: Without objection.

HUNTER: In my written statement, I explain why we believe the only way to make Social Security permanently solvent is to allow workers to invest about half the payroll tax through large personal retirement accounts.

I point to the bill introduced by committee member Paul Ryan, H.R. 1776, as illustrative of how, contrary to conventional wisdom, properly designed, sufficiently large personal retirement accounts are the solution to Social Security's solvency problem.

I call the committee's attention to the way the Ryan bill improves retirement benefits for all workers and eliminates Social Security's long run deficits without cutting promised future Social Security benefits, without raising taxes and without hiking the retirement age.

I also explain why, again, contrary to conventional wisdom, the transition to fully funded personal accounts is similar to a corporate workout. No new debt is required. Existing debt is simply refinanced to provide time and to free up cash to restructure the operation, making it more efficient and more productive in the future so that it is capable of providing better retirement benefits while repaying all of the debt.

Part of that restructuring should be spending growth restraint in the rest of the budget and tax reforms to improve the federal tax code.

I show in the statement why the notion of so-called transitions costs is a fallacy and how misconceptions about the nature of Social Security, as it has evolved through the years, have led the debate over personal accounts into what I believe is now a political cul-de-sac.

I conclude that in the current political climate it's highly unlikely that Congress will be able to generate a sufficient bipartisan consensus this year to fix Social Security permanently and that attempting to force too much, too soon, before the time is ripe is likely to be harmful and counterproductive.

It may require another election, perhaps another presidential election, before the country is ready to embrace comprehensive reform that transforms Social Security into a pre-funded market-based retirement system based on personal retirement accounts.

Fortunately, it's not necessary to solve the entire problem this year. What Congress can do, and I urge the committee to take the lead in doing, is to make a down payment on solvency by stopping the 20-year-old raid on the Social Security surpluses and devoting those surpluses and interest to personal retirement accounts. Stop the raid, start the accounts.

The federal government takes the Social Security surplus each year and uses that money to help finance all of its other programs, from foreign aid to welfare. The time has come to stop this inexcusable raid and return the surplus to workers to start their own individual personal accounts.

The trust fund should not be treated as a slush fund. Indeed, the new version of the Ryan-Sununu bill introduced just a couple of weeks ago, which phases in the accounts so that over the first 10 years the account option is about half of its full size — the Ryan-Sununu phase-in allows workers on average to shift about 3.2 percentage points of the full 12.4 percent payroll tax into the accounts.

The total annual Social Security surplus is projected over the next 10 years, counting tax revenues and interest on the trust fund bonds — is more than sufficient to finance this Ryan-Sununu phase-in option during that period.

Mr. Chairman, I have attached to my testimony an appendix which is a table that compares expected surpluses and the first 10-year phase-in of the reduced accounts.

Congress should stop the raid on Social Security trust funds and use that money to finance the first 10 years of Ryan-Sununu. The surplus money would then go to finance the future retirement benefits of today's workers, as it was intended, rather than for other government spending.

As Federal Reserve chairman Alan Greenspan has observed, personal accounts are the only way to enact a true lockbox where the government can't get its hands on the money and individual workers hold the key.

To free up the surpluses for the accounts, Congress must reduce its spending by an amount equal to the surplus of Social Security taxes or expenditures each year. That would amount to about $85 billion this year.

That money belongs to the future retirement of working people, and Congress should never have been spending it in the first place.

The government currently pays the interest on Social Security trust fund bonds by issuing new bonds to the trust fund each year. To the extent needed, to finance the Ryan-Sununu accounts for the first 10 years, those bonds would be issued instead into the accounts of each worker across the country.

The bonds would be backed by the full faith and credit of the United States government and be marketable. Workers consequently would be free to choose to sell those bonds on the secondary market and invest the proceeds in broader mutual funds if they desire.

Those bonds, of course, would not represent new debt but, rather, money the Government already would owe to the trust fund under the current system.

It would be highly desirable also to phase in the budget process reforms over the next 10 years contained in the Ryan-Sununu proposal. Even the smaller accounts adopted for the first 10 years would make a substantial down payment on the solvency by reducing long-term deficits.

Mr. Chairman, it's time for Congress to focus on what Social Security reform should be about, providing a better deal for working people. It's time for Congress to stop the raid on Social Security and use the surpluses to start personal retirement accounts. Thank you.

THOMAS: Thank you very much.

Dr. Furman?

FURMAN: Thank you, Mr. Chairman and members of the committee, for inviting me here today. As you move forward on Social Security and pension reform, I'd like to propose that you be guided by four goals.

The first is a secure retirement. The second is ensuring the solvency of Social Security. The third is reducing our debt both over the next decade and the decades to come. And finally, increasing our perilously low national savings rate.

Social Security and pension reform can play a role in furthering all four of these goals, and it's somewhat better to act sooner rather than later. But even more important than acting in haste is to first obey the Hippocratic oath: first do no harm.

Any proposal that moves backwards on any one of these four goals, no matter how worthwhile it may seem, is something that I don't think this committee should move forward on.

In fact, one of the main proposals on the table is one that would move backwards on all four of these goals simultaneously. And that's the president's Social Security plan that I'd like to talk about now.

First of all, in terms of benefits, the president has proposed no new revenues for Social Security and, in fact, would drain trillions of dollars of revenues from Social Security to put them into the private accounts.

This necessitates dramatic benefit cuts, and there's two benefit cuts that he has proposed. The first is a sliding scale benefit reduction. It would apply to any worker who makes over twenty thousand dollars a year. That's in 2005 dollars.

And it would also, based on analysis the White House released last week, apply to a substantial number of beneficiaries who make less than twenty thousand dollars a year.

The benefit cuts would grow dramatically over time for middle class families. By 2075, the benefit cuts would be between 28 percent and 40 percent of scheduled benefits. That means replacement rates would be 28 percent to 40 percent lower. That's just the first benefit cut.

The second benefit one is the so-called benefit offset which is designed to eventually repay the trillions of dollars that go into the private accounts. Every dollar you put into an account, your benefit gets reduced by that dollar, plus three percent interest, plus inflation.

Add that all together, and it could reduce your benefit by 50 percent or more. The combination of these two benefit reductions would virtually eliminate the traditional rock-solid guaranteed Social Security benefit, leaving it at 10 percent of your pre-retirement income or maybe even less.

Would accounts make up for this difference? A number of studies have been conducted on this issue, and my reading of the conclusion is that they may make up for the second benefit cut, although even that is far from guaranteed. But for middle class workers they're unlikely to make up for the first benefit reduction also.

Bob Shiller, a Yale financial economist, found that between 32 percent and 71 percent of the time workers would end up losing money as the result of participating in the accounts, on top of the sliding scale benefit reduction.

What does the president's plan do for solvency? Despite having a very large reduction in benefits, it does less for solvency than many would think. The sliding scale benefit reduction by itself would postpone Social Security's cash flow deficit by two months.

Social Security would still go into cash flow deficit in 2017 and we'd need to start redeeming money from the trust fund to pay benefits. I personally don't think that's the most important date, but for those who do, that should be a source of significant concern.

The exhaustion of the trust fund would be postponed by a few years, and when the proposal is combined with private accounts, much of the benefits for solvency you would get from the benefit reductions go away. And the benefit reductions are just used to pay for those accounts.

In particular, the combination of the president's accounts and the president's benefit reductions would cause a cash flow deficit earlier than under current law, would exhaust the trust fund earlier than under current law and we would need to find the money to pay for benefits, and would only solve 30 percent of the 75-year Social Security shortfall.

In addition, the president's plan would entail significant increases in the debt, $5 trillion over the next 20 years. The word transition cost is a misnomer, because the debt would continue to grow over the current decade and stay elevated for at least 60 years.

As a result, national savings at best would be unaffected and more likely, for reasons I outline in my written testimony, would end up being reduced.

There's a much better approach that this committee could take. The first principle of that approach would be no debt-financed accounts, not whether they call themselves carve-out accounts, not whether they call themselves add-on accounts, nothing that increases the national debt, not in the next decade, not in the next 50 years, not over an infinite horizon.

Second, Social Security reform should be a balanced process, balanced both politically and balanced in the form that restoring Social Security solvency takes.

Finally, we can do more to encourage people to save and to help them save separately from Social Security, and there are a number of bipartisan reforms to make saving easier, more automatic and to increase incentives for moderate income families while paying for those incentives that I would be happy to talk more about with the committee at a future time. I

look forward to your questions.

THOMAS: Thank you very much, Dr. Furman.

Mr. Tanner?

TANNER: Well, thank you, Mr. Chairman, members of the committee. I very much appreciate the opportunity to appear before you today, and I would like to congratulate the committee on holding this hearing.

I hope that it's an indication that we've moved beyond the sterile and unproductive debate about whether or not Security Council is facing a crisis or just a big problem, because as frightening as Social Security financial problems are, and they truly are severe — the program will begin running a deficit in just 12 years and is facing unfunded obligations of about $12.8 trillion if you include the cost of redeeming the Social Security trust fund as well as its other unfunded obligations after 2041.

I believe, however, that Social Security reform must be about more than just achieving technical solvency. Now, that's not to downplay the importance of solvency. Any responsible Social Security reform will restore the program to sustainable solvency, not just in the short term but over the long term.

But while it's necessary, Social Security solvency is not sufficient. We should be seizing upon this opportunity to build a new and a better retirement program, and that program should be based on the fundamental American values of ownership, inheritability, and choice.

Under the current Social Security system, you have no legal, contractual or property right to your benefits. What you receive from Social Security is entirely up to the 535 members of Congress. But personal retirement accounts would give workers ownership and control over their retirement funds.

The money in a worker's account would belong to that worker, and it is money that the politicians, with all due respect, could never take away. In short, workers would own their retirement.

And because you don't own Social Security benefits under the current system, they are not inheritable. Millions of workers who die prematurely are not able to pass anything on to their loved ones.

But with personal retirement accounts, workers would be able to build a nest egg of real inheritable wealth. For middle and low-income workers, this may be the first time in their lives that they are able to accumulate such a nest egg.

And finally, I would point out that choice is part of the essence of America. Yet when it comes to retirement, Social Security forces all Americans into a one-size-fits-all, cookie cutter retirement program, a system that cannot pay the benefits it has promised, and under which we have no right to the money we pay in.

With personal retirement accounts, workers who want to remain in traditional Social Security would be free to do so, but workers who wanted a choice to save and invest for their retirement would have that option.

With this goal in mind, not just to restore Social Security to solvency but to build a better retirement program that would give workers more ownership, control over their money, and create an inheritable next egg, scholars at the Cato Institute developed a comprehensive proposal for creating privately invested, personally owned accounts as part of an overall reform of the Social Security system.

This proposal is reflected in legislation H.R. 530 that has been introduced by your colleague, Representative Sam Johnson, along with Representative Jeff Flake, and 15 co-sponsors.

Under this proposal, workers under the age of 55 would have the option of diverting their half of the Social Security payroll tax, 6.2 percent of wages, to an individual account. The employer's portion of the payroll tax would continue to be paid into the Social Security system to provide survivors and disability benefits as well as to partially fund continuing benefits for those already retired or nearing retirement.

Workers who choose individual account options — and it would be a choice, completely voluntary — would forego any future accrual of Social Security retirement benefits under the traditional system.

However, those workers who already have paid into the current Social Security system, and therefore have accrued benefits, would receive credit for those benefits in the form of a recognition bond.

Workers who do not choose the individual account option would continue to pay into and receive benefits from

traditional Social Security. However, for those workers, the initial Social Security benefit formula would be a adjusted to reflect price indexing rather than the current wage indexing.

And while we have called for this price indexing change across the board, and it is so reflected in the legislation by Representatives Johnson and Flake, I would also suggest that we look seriously at the proposal by Mr. Pozen for making this change progressive.

The plan also calls for establishing a new minimum Social Security benefit equal to 100 percent of the poverty level, providing for a significant increase over the current minimum benefits.

I have attached and entered into the record an original copy of the Cato study setting out the details of the proposal and their rationale, as well as a report on the Social Security actuaries' estimate that this program would restore Social Security to permanent, sustainable solvency.

I would suggest that in the end, if our goal is more than technical solvency, more than just getting the lines on a chart to cross, if we really want the best possible Social Security system, then we need to have a Social Security system that gives workers ownership, control, inheritability and choice as part of their retirement. Thank you, Mr. Chairman.

THOMAS: Thank you very much, Mr. Tanner. I know all of us aspire to do the best possible thing that we can do, but one of our jobs is trying to figure out what we can do.

And I want to ask all of you a series of questions, and it's a little unfair, but I would prefer as short an answer as possible, or even a nod — well, I guess you have to say something so the record will record you, in terms of where you are.

And part of this is reflected in the fact that more than 20 years ago there were some things that I thought we ought to do, and we didn't get to them. As the least-ranking member of the minority party at the time, I didn't have a whole lot of influence on what we did or how we did it.

Do you agree, in essence — and, Dr. Furman, this is a quote that I found from you in the May 5th Wall Street Journal article, basically saying although everyone has a plan, and there's going to be criticisms for or against various approaches — and obviously, that's our job, is to listen to all of the approaches and then, to the best of our ability, decide what we do.

But basically, the gist of Dr. Furman's quote was that the dumbest possible plan you can imagine is doing nothing. Is there general agreement that that's probably a good starting point for us?

So for those who just wish the issue would go away, maybe we do owe a bit of debt of gratitude to the president for being out front on this issue, because I know we had no time to contemplate other changes we might want to make back in 1983.

And the idea that we're going to wait a Congress, or we're going to come back two Congresses, or we'll wait for a presidential change — it is amazing how quickly 20 years go by. And right now, I think 20 years, in my opinion, is a fairly luxurious time frame that we can't afford.

Everyone agree with that basically? OK.

FURMAN: I certainly don't know anyone who thinks that we should let the trust fund get exhausted in 2041 and cut benefits by 26 percent across the board. I know I don't support that. I don't think anyone does.

What I think would be even worse, though, is actually adding to the debt and exhausting the trust fund even earlier, and making Social Security's financial position worse. And that's something that the president's plan would do.

THOMAS: Well, I understand. But obviously, we don't think that's our goal, nor did any of those folk in earlier times when they made decisions that, in fact, I think, have exacerbated our situation. They didn't intend to do that. And to a certain extent, they didn't anticipate the changing society.

Next question — very briefly, Mr. Apfel.

APFEL: I just wanted to say that it would be good to do something, absolutely. But doing something that brings us in the wrong direction would be a bad thing to do.

We have three options: do something that's basically good, do nothing, and do something that would be basically contrary to the economic security of middle-class Americans.

I would urge that we take a little more time before doing something very bad. And clearly the two proposals that are before us I think are very risky.

THOMAS: Well, hopefully we would take all the time in the world not to do something bad. In fact, we would never do it, rather than waiting a while and then doing it.

In the testimony, Dr. Steuerle was a bit more specific about changes within the Social Security structure, although many of you alluded to it in your testimony.

Do you think if we're going to undergo an attempt to solve the problems of Social Security, and, of course, solvency — and I'll ask you a question about that in a minute — is our goal, outside ultimate goal, should we be looking at those anomalies in part created by an aging society on the question of widows and their compensation, versus non-working widows of well-off husbands, versus widows of not well-off husbands, (inaudible) the low-income floor?

That's the word they pursued, isn't it, in terms of inside Social Security? Anyone say we shouldn't waste time looking at those issues to try to get fairness within the structure? OK. So there's a plus. We're all together here.

In one way or another, some explicitly addressed the question of time, age. We did that in 1983, and it was a very difficult political problem, and we created a 10-year hiatus on our way to 67, which ironically means that people are going to beat the distance between 65 and 67 in the '83 plan actuarially before the plan actually reaches to 67, so we've fallen behind, in essence, in trying to create a time relationship.

But there are a couple of ways of looking at it, and I know there's a lot of controversy, so I think most members understand the downside. If you raise the early minimum age, you jeopardize folks on a disability question. If you raise the higher age, you have to work longer.

But it is clear that some adjustment there should be looked at. The narrow question I want you to address is should we continue to chase the age change. I think, Mr. Pozen, you suggested we go up from 67 to 69.

And, Dr. Furman, when I read your March 21 analysis from your center, I was intrigued by a phrase you had on page nine which said changes in the benefit or tax structure under which benefits, payroll taxes or the normal retirement age are indexed to longevity would be much better at directly tying the size of the benefit or tax changes to the program's solvency needs.

And I don't know whether it was because of space, but that was dropped out of your more recent editions. But should we look at the question of age extension and/or longevity? I mean, is that inevitably something that you've got to look at, Dr. Schieber?

(UNKNOWN): Yes, Chairman. I think it is something that needs to be looked at. I think the idea of doing it through longevity indexing would give people more choice, rather than saying that the retirement age is moved back from 67 to 69, you would say you can choose to retire at 67, 68 or 69, but if you retire at 67 we now give you the actuarial equivalent of retiring at 69, which means that you get a lower monthly benefit, but you get more monthly benefits because you retire earlier. So I think that's probably a better way to do it than just moving the retirement age back, absolutely.

And then the second issue, I think, which your very familiar with, is, you know, how soon can you do this, you know, and then that would have to be phased in over time.

THOMAS: Any strong objection — I mean, in his testimony, he said 69, and now I think I sold him on longevity, so are we moving in a way in which we're coming together, Dr. Schieber?

(UNKNOWN): Well, I think we probably do agree. If you compare where we today to, say, 1960, if you look at a typical male, he's retiring about three years earlier today than he retired back then, and he's living about three years longer.

We've extended his retirement period by about 50 percent. Well, if you're going to extend the retirement period by 50 percent, it's going to cost a lot more.

And if you're in a situation where you're being stressed for funds to finance this as we continue to add to life, one of the things that we ought to look at is whether or not people could remain engaged a bit longer.

It would be awfully hard to make a case that work today is of such a nature that we ought to be retiring a lot earlier than we used to because we can't bear the burden.

THOMAS: Well, I'd tell the gentleman to just be a little cautious in that statement, for those of us who came from families in which physical labor was the way in which the bread was put on the table.

I know my father, in terms of his plumbing activities, was pretty — the phrase, I guess, would be pretty used up by the time he was 65. Of course, he went through the Depression as well and had grown up on a farm, so he got some early wear and tear.

(UNKNOWN): And the number of those jobs in our economy are diminishing. And many of the tools that are available to people who have those kinds of jobs are reducing the burden upon them.

(UNKNOWN): And maybe we do need a transition benefit of some sort for people who do have physical labor jobs. I think we have to be careful about making the rules for all because we've got a small number who have a problem.

THOMAS: One thing I'm interested in, I know how difficult it was politically for us to make that aid shift in '83, that if you did do something like longevity, you wouldn't have to visit it as frequently to make adjustments with the assumption that people are going to continue to live longer.

Gene?

STEUERLE: Mr. Chairman, I think — I mean, I can say this because I don't have to run for us — this system has evolved or morphed into a middle-aged retirement system. You know, as long as we say 62 is old, then it sounds like those of us who say we're increasing retirement age sound like we're hitting on the old, and, for a long time, being old was correlated with being poor.

The people who are always much more likely to be poor are the ones who are really in their late 70s, 80s and 90s, and many of our people, I think, now are being deluded. They're going into retirement at 62 with a decent income, and for a typical couple — just a typical couple — the annuity lasts 25 years, and so, for a longer-living couple, it often lasts 30 or 35 years. They don't have the resources when one of them lives to 85, 90 and beyond that they think they had when they looked at 62, and then the government comes in the back door and has to back up the system with Medicaid and a lot of other things.

I tried to make very clear in my testimony, even if we devoted all of the revenues from increasing retirement age back to Social Security, even if we had a current system that was totally solvent, if we increased the retirement age — and this is an analytic point — we get more revenues in the system, we can increase replacement rates. We can protect the old better, we can actually give a higher package of lifetime benefits on an actuarial basis because we would add more revenues to the system.

It just moves everything in the right in terms of protecting the old, the needy and everything else, and I think we just have to be honest about that.

THOMAS: Well, being honest and getting enough votes to pass it are sometimes two different things, and I'm trying to deal in that world.

My unlimited time is running short, so I want to focus you on a couple of other arguments.

Dr. Schieber, I think some of it came your excellent history, which was condensed in a useful way from FDR and the origins of Social Security and his very strong belief that it shouldn't be a part of the dole, and the irony of increasing the payroll taxes is, in fact, a form of that transfer from the rich to the poor.

I've heard a number of descriptions of personal accounts. I know particular personal accounts are the target of much discussion. Anyone here disagree with the idea that the concept of personal accounts is more consistent with the concept of a retirement insurance system than basically our current pay-as-you-go system? Don't personal accounts kind of really talk about an insurance system on an annuity or a premium?

I'm asking questions. I think that's the role of the committee.

(UNKNOWN): Insurance is the process of pooling risks across a large group of people where there's a relatively small probability of something happening. If you look at our disability insurance program, there aren't a lot of people as they go through their working careers who become disabled. There aren't a lot of people who die and leave juvenile children.

So, you know, let's say you had a thousand people living in a society, and they had a house, each of them, worth $100,000, and one of those houses in this society burns down each year. There's two ways that house can be covered.

One, they can put $100 into a pool each year, and then there will be resources to buy it, and nobody suffers a catastrophic loss, or there's no insurance, and, when the house burns down, one family in the society you has $100,000 loss, and everybody else is perfectly fine.

When you've got a small contingency of something happening, you can do that through the sort of system we're running to cover disability. When you've got a high probability — 95 percent of the people who start to work at the early 20s end up retiring at some juncture — we're no longer talking about one in a thousand. We're talking about 95 percent.

If you want to secure those benefits over time, especially given the demographics that we have, you have to figure out how to save. You have to figure out how to accumulate some wealth so there's something financial that actually secures that benefit in retirement, and this is a mechanism to do it.

THOMAS: So personal accounts...

FURMAN: Mr. Chairman, if I..

THOMAS: Dr. Furman, you mentioned the question of increased net savings. Dr. Lindsey talked about increased net savings. Is it a high priority, medium priority or a low priority that if we talk about personal accounts, we take into consideration making sure that, however they're structured, they increase net savings?

FURMAN: Let me just say right now families have a tremendous number of opportunities to save, to invest. If they want to play the slot machines, they can do that as well. They only have one rock solid retirement guarantee, and that's their Social Security benefit. You don't have a choice of getting a Social Security benefit if it's not in the law. It's not an option you have. You have lots of other options.

THOMAS: I understand, but did I mistake what you said?

FURMAN: So taking options away from people and reducing that benefit to pay for something you can do already, which is to invest, is not something that I think makes very much sense at all.

THOMAS: I understand your concern about a particular type of personal account, but I thought you mentioned in your testimony the idea of making sure that we increase net savings.

FURMAN: Right. I think that's an important goal of any reform, and you're only going to get that if we ensure that any new incentives we have are paid for or that we better utilize our existing savings.

THOMAS: I understand. I understand. But you can also set up personal accounts that don't create net savings.

FURMAN: If you don't pay for your accounts, you will not increase savings.

THOMAS: Yes, but I'm saying you can do that. There are people here fully capable of doing that.

Dr. Lindsey?

LINDSEY: Mr. Chairman, I think it is a high priority. I think it's important that when the committee thinks through dealing with this problem, it consider not just Social Security but broader economic issues.

What I would like to add to what Mr. Furman said and in response to your earlier question, the way to think about a personal account, I think, is as a discretionary account. Some people want to retire earlier, some people want to retire later, some people want to be prepared for their 90s, whatever, and one of the distinctions of that theme from your question about early retirement is that a personal account within the Social Security system allows the worker or retiree more discretion over when he or she retires than a one-size-fits-all solution.

THOMAS: And then finally, in partial response to my friend from Michigan and to others who couldn't possibly comprehend why, if the president has offered us an opportunity to look at Social Security, we shouldn't look at other retirement aspects in an aging society, I want to refer members, if you haven't noticed it, to page 20 of Dr. Schieber's testimony.

In terms of the distribution of retirement structure, on the bottom 10th, from personal financial wealth 3-1/2 percent, from Social Security 94 percent, from pension wealth 3 percent, and, at the top 10th, 65 percent from personal, 10 percent from Social Security and 25 percent from pension.

If, in fact, you have that significant difference between the lowest 10th to the top 10th, to only address Social Security

and say you've addressed retirement in an aging society is to miss the point that some people count on two-thirds of their money from personal financial, in fact, 90 percent of their money from personal and retirement pension funds, and others 90-plus percent from Social Security.

To only deal with Social Security is to ignore what else is going on in the society, and, simply to make the point, read the paper about United Airlines and the question of pension and the changing world of defined benefit versus defined contribution and your ability to put your own money away.

And, Dr. Furman, I agree there are a lot of ways to do it, but, frankly, we haven't been as creative or focused as we should because, to a certain extent, you have to incentivize people to put their money away. They have to see a reason to give up current consumption for deferred gratification.

Last question: How many of you believe it's fair, it's appropriate and it's a responsible thing to do that if we're going to offer volunteer programs, in whatever area we're beginning to make changes in the retirement package, that we create a system in which, even in a voluntary structure, people are automatically put in, and they have the option of opting out? Anyone think that that's not something we should look at?

FURMAN: Again, Mr. Chairman, unless you know what they're opting into, it's impossible to answer that question.

THOMAS: But they wouldn't be opting into it, they would be opting out because we would put them into it and they would have the option of coming out of it.

FURMAN: If your plan is to say your future Social Security benefit is going to be reduced if you're in this account, then opting people into that account, in fact, even having that option in the first place, I think would be a mistake.

THOMAS: Even with their ability to opt out?

FURMAN: So, if we're talking about 401(k) participation and 401(k) is more automatic, I think that's a very good idea.

THOMAS: Mr. Apfel?

APFEL: If it's opting out of parts of the defined benefit of Social Security, then I would have some deep concerns about that.

THOMAS: No, I wouldn't think that that would be what we're talking about. We would not do that.

APFEL: I'd like to come back to the retirement age issue, I hope, before the end of the hearing, which is one of the questions.

THOMAS: There are a lot of people anxious to ask a lot of questions, and I've used my chairmanship.

Last response.

Then I'll recognize the gentleman from New York.

SCHIEBER: Mr. Thomas, as you know, there is a broad liberal-conservative coalition examining this opt-in/opt-out issue, not with respect to Social Security, but with respect to putting employees into 401(k) plans, and you'll note in my testimony that I think maybe one way to try to get through this divide over personal accounts is to think of them more as a private pension rather than a Social Security issue.

Politically, the fight over personal accounts really isn't over personal accounts. President Clinton had a personal account proposal as well as the president. The fight is actually over the revenue base for the remaining system. But that doesn't mean we can't separately work on a system to try to beef up assets, real assets for people, and, yes, real assets contain risk, that's a legitimate concern, but we don't want a world where we don't have real assets.

THOMAS: Well, I want to thank you all because you've helped this committee in shaping future full committees and subcommittees with the subject matter, especially that in which you all agree we ought to be looking at. I thank you very much.

The gentleman from New York?

RANGEL: Thank you, Mr. Chairman.

Let me thank all of you for being here. It's so difficult to frame the questions because we don't have a bill before us, but, just for openers, how many of you believe that the Congress cannot fulfill its responsibilities to present and future beneficiaries of Social Security without having a private account as a part of that bill?

Two of you believe that we cannot deal with the subject of fulfilling Social Security, that we have to have private accounts on the table, right?

POZEN: (OFF-MIKE)

RANGEL: Microphone.

POZEN: ... that if you try to come up with the gap between promised benefits and the amount of expected revenue in the system, some $12.8 trillion, and you try to do that simply through the tax side or through benefit reduction...

RANGEL: I didn't say that.

POZEN: ... then you are going to either cripple the economy or severely reduce benefits for workers in ways that I think would be disastrous.

RANGEL: But we could do it, though. That would be our political decision.

POZEN: Well, I question whether the economy could sustain the type of tax increases that would be required.

RANGEL: OK. Well, let me say this, that a lot of you are using Roosevelt and Moynihan and Truman, but I haven't heard one live Republican yet that is telling us what they want to do. When the chairman and other members of the Congress met with the president, he asked us not to do anything until he put his plan together.

Since that time, he's gone to 60 cities in 60 days not to sell private accounts, which I thought he was going to do, but to educate the American people how serious the problem is, and now he says the Congress should come up with the answer. So I guess he's out of it.

So I don't know, with all of the great ideas that you gentlemen have, as to what this has to do with where the president wants us to end up, except he made it clear to me that with anything that he's going to sign, private accounts has to be made a part of it.

We hear a lot from Chairman Pozen when the president speaks as opposed to most of the other White House people, and I think that they always describe you as the Democrat. Now I've been in Congress a long time, and I've had a lot of distinguished people testify before the committee, but I don't ever recall since I've been here where they identify a professional by his party label, assuming you are a Democrat

POZEN: I am a Democrat. I am proud to say that there are certain people on the committee that I've supported, Congressman Neal, Congressman Emanuel. It's a political issue as to why the president chooses to do that, but I do think that the concept of progressive indexing is supported by the page 20 that the chairman pointed to in Syl Schieber's piece because what it shows is that for the bottom one-third...

RANGEL: I'm not getting to the substance. I'm just saying, since you're so proud of being a Democrat, that really doesn't help really in terms of intellectually be right or wrong on the issue, does it?

POZEN: I agree, Mr. Rangel. I'm not the one who has my being a Democrat — I am a registered Democrat, and...

RANGEL: But, I mean, it doesn't really improve or diminish your opinion, does it?

POZEN: No, it doesn't improve or diminish the quality of ideas. I agree with that.

RANGEL: Because, you know, the White House goes out of its way to identify you more by your party label than by what you're saying.

POZEN: I would hope that the White House agrees with some of the concepts of progressive indexing.

RANGEL: Take my word for it, your name would not have been projected as much as it if you were not a Democrat, but I'm proud of the fact that you know how to deal with them because we may have to come to you for communication, you know, because we don't know where they're coming from or what they want to do.

I totally believe that all of you should believe that an issue as sensitive as this, where most of the people on Social

Security, no matter what any of you say, believe that their benefits are guaranteed, and their kids believe it, and their grandkids believe that they are entitled to this benefit.

If we're going to have any type of revolutionary change, if we're going to repair the system, it has to be some pain involved in it, some political pain, and how you can do this in a partisan way, I have no idea. How the president can say it's up to the Congress to repair it, I have no idea.

But, having said this, I think the reason people believe that these benefits are guaranteed is that we're borrowing $2 trillion to give the tax cut to the wealthiest people in this country. How do we in a partisan way share with them that this system that didn't take in consideration wealth or poverty, but substitute it with dignity to say that at the end of the day, whether you're disabled, whether you're a survivor, whether you're retiring, there will be a cushion for you, and you can depend on it.

Now we have a situation, Mr. Pozen, where I assume most of your training has been investment banking — I mean, you understand that — and budgets, but, clearly, in looking at your bio, there's no indication that you've dealt with social services or the problems of the poor or people that are surviving or are how many kids went to school.

I suppose other people have different views about it, but, basically, your background has been in the investment market. Is that true?

POZEN: My background has been in the investment market, though I've worked with various nonprofits in the Boston area on a series of...

RANGEL: When I retire, that's what I hope to run, is a nonprofit. That's where the real money is, you know.

But, having said that, it would seem to me that if we're going to work together on this that we're going to have to find some way to communicate and try to see how we can have people to believe that they will be better off with the changes in the private sector.

Do you believe that if people believe that they have some benefits guaranteed that you could guarantee that the market is going to work for them? That is, if the market fails, as we see things happen today with the airlines, that there would be a safety net for those people who found their benefits reduced by Social Security, but found an increase in the private accounts? Could you give any type of suggested way that you in this business can say trust that you're going to be better off with this system?

POZEN: Well, I do believe in the safety net for Social Security.

RANGEL: No, no. I was talking about the private sector.

POZEN: The private sector. I mean, I think what I'm trying to propose is that we keep the defined benefit, the guaranteed benefit for the low-wage worker who, I think, is not able to deal with this risk as well.

RANGEL: I understand that. I'm just saying that if the bottom falls and the market doesn't work, is there some way that we politically say not to worry because your government will never let you done? Can we do that?

POZEN: Well, I think that's what we're trying to do by preserving the schedule of benefits for all low-wage workers.

RANGEL: I'm not talking about low-wage workers.

POZEN: I think if we were to try to guarantee against the stock market fall, I think that would be a bad idea.

RANGEL: OK. So I'm not disagreeing with you, but, at the end of the day, if someone was to ask me at a town hall meeting, "Rangel, I know you're not thinking about coming home and telling me I'm not going to get my check," even though there are people that believe that the system is going to collapse, but the day that we don't provide some benefit is the day we're out of business.

They believe that they're entitled to these benefits, but there's no way legally that we can tell them that even if they're successful with the private accounts that there's going to be a guarantee in whole or in part, is there?

POZEN: I think the extent that we bring in private accounts and they are invested in the stock market, we will not be able to guarantee the returns.

RANGEL: So I would be stuck with the position that we're asking you to trust us because we think by taking a gamble

on the market, you'll get a higher yield, but the truth of the matter is we can't give you a guarantee.

Now the president all the time talks about the monies that people have contributed to the general revenue funds, that what they have given, there has been an IOU, a bond, that's really there in the trust fund that's not worth the paper it's written on. You being a lawyer and recognizing what full faith and credit means, do you agree with the president that the trust fund IOUs that have the full faith and credit of the United States Treasury in this country are not worth the paper that they're written on?

POZEN: Well, I don't know if that's what the president really meant to say.

RANGEL: Well, strike that out. What do you think about the bonds?

POZEN: I believe that the special Treasury bonds that are now held by the Social Security Trust Fund are good money. They will be repaid. But, as we all know, at some point, they're going to run out, and think that the crucial thing...

RANGEL: I'm not talking when they run out. Everything runs out.

POZEN: They're good, but we know...

RANGEL: Anyone running a bank that would tell you that your deposits aren't worth anything should be run out of the bank, wouldn't you think?

POZEN: I don't know about...

RANGEL: He would be misleading the people into believing that the money won't be there when they need it.

Well, we'll get to that.

Let's talk about this poverty stuff. You know, my mom threatened to disinherit me and my sister when we tried to get her to leave her apartment. She said she had her pension check from the International Labor Garment Workers Union, and she had her Social Security check. She was proud of having this because she never considered it welfare. She considered herself independent, having worked all of her life.

We hear a lot of talks on the other side of our class warfare, but the dignity of people that have enjoyed Social Security, they knew they were Americans, that they put into the system, and they weren't treated as though, especially by the Congress, you get what you get when the Appropriations Committee decides what it's going to be.

Do you believe that this a very sensitive area to separate those who made $20,000 and have them as low income and the other people over $20,000 is middle income and then you have the higher income? Don't you think you're taking away something from the integrity of the system from a social point of view by means testing it?

POZEN: Means testing would mean that people over a certain amount would get nothing. What we are doing is not means testing. What I'm proposing is to have a progressive scale of benefits. We already have differentials for people's benefits based on the level of contribution, based on their wage level.

What I'm trying to do is to say, given the point that was made, I think, by either Ken or Jason, that longevity for higher-wage workers is going up faster, given the fact that we have IRAs and 401(k)s, given the fact, as Mr. Schieber points out, that the lower one-third of wages are more dependent on Social Security, what we're trying to do is provide a sliding scale on the benefits, which we already do, but make it more of a sliding scale to help make sure that the people who need Social Security the most are getting the most.

RANGEL: They used to call that means testing, but I assume that we have defined words.

POZEN: I don't think we really...

RANGEL: No?

POZEN: We have a sliding scale.

RANGEL: The benefits will be based on income.

POZEN: Benefits are now based on income. We would just be making it a little more a sliding scale in light of these other factors.

RANGEL: Now the president often talks about those people in Congress have 401(k)s and thrift accounts, and, if it's

good enough for them, it should be good enough for the American people. Do you believe the way he uses that statement that it's accurate? Is he offering the people the same thing that we enjoy as members of Congress?

POZEN: I understand that you as a member of Congress have Social Security and that the 401(k)s and IRAs would be supplemental to Social Security, so I'm not sure...

RANGEL: That is true.

POZEN: Congressman, I'm not representing the president here.

RANGEL: Well, he's representing you.

(LAUGHTER)

RANGEL: Now if you want to put some distance from him, we can talk, but, as long as he's protecting you, he truly understands what he wants to do, he hasn't given us anything. He said the problem is ours. He promised us a bill. We don't have it.

So we've got the Thomas plan, we've got the Clay plan, we've got the Clay Shaw plan, we've got the McCrery plan, we've got your plan.

THOMAS: (inaudible)

RANGEL: Well, the thing is that I don't really think that we should rush out and do more harm than doing good, and, as long as you've got to come up with something, we're prepared to say that we really think that this plan here is a detriment to us coming together in a bipartisan way.

But, having said that, you've made it clear that the president's not talking about what the Congress has. We have our plan in addition to Social Security. We can take money out of our plan. Out of your plan, you can't take money out. Is that correct?

POZEN: As I said, my plan for progressive indexing stands with or without personal accounts. I've tried to make clear my in my testimony how it could be combined with certain types of accounts. It can be combined with IRAs and 401(k)s. It can be combined with other things. But, in itself, it would reduce the long-term deficit by 70 percent, and it would provide more of a sliding scale than we have now for benefits.

RANGEL: My last question is: Do any of you believe that we can successfully come up and pass a bill without bipartisan support for it? Any of you?

I don't have any further questions.

THOMAS: Does the gentleman from Florida wish to inquire?

(UNKNOWN): Yes, I do, Mr. Chairman.

Mr. Apfel, you made a statement which troubles me. You mentioned that you think that private accounts, personal accounts, individual accounts should be off the table.

Now, as you recall the days when you were with the Clinton administration and I was chairman of the Social Security Subcommittee, never once did anybody in the United States Congress that I'm aware of say to President Clinton that he had to take certain things off the table or put it on the table as purposes of trying to negotiate. I don't think that's the right way to negotiate.

Also, I recall that President Clinton did support some form of individual accounts. He saw the need for that. In fact, Mr. Archer met with him individually in his office, as I have met with him and discussed moving the plan forward.

So I think that we need to clear the air here, and I think for anybody who is serious about negotiation, whether they are head of the Democrat Party, the Republican Party, whoever they are, who really care about saving Social Security should come to the table.

I think, also, that it's important — and I think that the chairman said something just offhand at the end of Mr. Levin's remark a while ago — that he would be glad to listen and have hearings for any of the Democrats that had a plan that would save Social Security.

Unfortunately, the silence is deafening. There is no plan. The only plan that's out there that I can see that the Democrats have is they have the president to negotiate with himself and then lose, and that's a tragedy.

(UNKNOWN): Dr. Furman, you mentioned something that troubles me greatly. You said that people have the option of investing right now into individual accounts. I'm sorry. People who are going paycheck to paycheck do not have that option.

The only option they have is to pay the rent and light bill and their grocery bill. And those people have no chance of ever accumulating any personal wealth unless we go forward with a plan of Social Security that takes care of these people.

So to say that these folks, these low-income people, can take care of themselves is an absolute fallacy. And I think that it's a tragedy when we see that members of Congress here would pass up the opportunity for low-income people to create some wealth during their lifetime. It is indeed a tragedy.

(UNKNOWN): Mr. Shaw...

SHAW: Now, I want to address the question of guarantee — guaranteed plans. There are two guaranteed plans that have been put forward by members of this committee. I put one forward and Mr. Ryan put one forward.

And in either plan, they had individual accounts, yes. But they also had a guarantee, by leaving the existing structure in place, that existing obligations would be adhered to, not only for today's retirees, but for future retirees.

This has to be the objective. It's very important that when you go and try to negotiate and push something together that you know what you're after, you know what you're working towards, instead of just absolutely sitting back and criticizing each other.

That's a tragedy. And it is a tragedy.

One of the members of Congress said, not long ago, that the party of the new deal has become the party of the no deal. And that is too bad. That really is too bad.

And I think that even Roosevelt himself recognized that future changes would have to be made. The point has been made by some of the members, members of the panel — and I think a very good point — that maybe we should look forward to 20, 30, 40, 50 years instead of 75 years and beyond.

And perhaps that's where we'll have to go at the end of all of this because none of the plans out there contemplate a cure for cancer — none of the plans out there. The lifespan of the American people is going to be expanded tremendously over the next decade. And it's a wonderful thing.

But anything we do and anything we accomplish here today is going to have to be modified by future Congresses to make allowances for this great gift of life that is going to be extended by medical research. This is a wonderful time that we live in, but it's a troubling time.

We need to be sure that our older Americans are taken care of. That should be the objective of every member of this body and every member of this committee. And let's get rid of the politics.

It's about the next generation. It is not about the next election.

(UNKNOWN): Could I address the question, Mr. Shaw?

SHAW: I yield back.

THOMAS: The gentleman's time has expired. And this will occur with a number of witnesses.

The chair would encourage anyone who wishes to make a response in a written way and it will be shared with the full committee. And I also believe that, for those of you who wish, return engagement can certainly be arranged, both at the full committee and the subcommittee level.

The chair recognizes the gentlewoman from Connecticut.

And would the gentlewoman yield, just very briefly?

N. JOHNSON: Yes, sir.

THOMAS: I thank the gentlewoman for yielding.

I would respond to my colleague and others about the 75-year solvency question versus sustained solvency. We're all familiar with the usual 10-year window that we use, which means no one looks at the 11th year.

And a lot of things can happen over an 11-year life that you don't see in the 10-year life. My only concern about not focusing on, to a degree, sustained solvency is that when you look at 75 years, this year is good, next year is good, '08 gets kind of worrisome. But every time you move along the current time line — '08 meaning baby boomers begin coming in — you're adding at the back end of the 75 years a much less desirable year.

And what we did in '83 was focus on 75 years. We just didn't pay attention to what happens over the first 20. And when you add the last 20, the 75 years disappears.

So if you're going to really try to make it 75 years, you have to look through. You have to run through the tape. You have to look beyond the 75 years to make sure that the bottom doesn't fall out the next year.

So when you say "sustained," it may be 80 or 85 or 90 and you're going to fall short. Everyone knows that. But if you don't take that approach to it, it isn't going to be 75 years; it will be 20.

And I thank the gentlewoman for yielding.

N. JOHNSON: Thank you, Mr. Chairman.

Mr. Apfel, I would urge you to provide us in writing some better understanding of the proposals that President Clinton put forward because he put forward a number that involved reaching into the private market to expand the resources of Social Security, both in the individual account area and directly investing government money. And how he governed those mechanisms are vague in my mind. So that would be helpful to us.

Also, Mr. Furman, I would like to ask you to provide in writing some enlargement of the last sentence of your — the conclusion of your testimony. You were eloquent in shooting down most of the ideas that have been brought up.

You also say, at the end of your testimony — first of all, you say, "It's better to address this challenge sooner rather than later." And then you say, "a balanced set of reforms that modestly increases Social Security revenues while modestly decreasing benefits could ensure that Social Security is sustainably solvent."

I would certainly like for you to fill that out for me. There's not time for you to do it on my questioning time, which is now depleted anyway, but we need to know: what is a person like you, who raises some interesting points about some of the components of a solution that has been put on the table, thinks might be a modest program that could provide us with sustainable solvency.

But I want to add something to this debate because we cannot reform Social Security without addressing some of the inequities of the program. They were not intentional inequities; life was different.

Now, life involves most women working before they have their children, after they have their children or maybe just after they have their children. It involves women living many, many decades on their own, after retirement.

And I have been working on an idea that would overcome one of the — to me, one of the really absurd aspects of our current Social Security system. No matter how hard I work, the fact that I stayed home 20 years to take care of my children gives me 20 zeroes in a 35-year calculation.

So I think — frankly, that was much harder work than anything I've done since then. And I think we need to impute some level of income to women for at least 10 years of being home with their children because the evidence is just overwhelming in terms of the importance of parents in children's lives.

And so I want to correct that injustice by changing the way we calculate earnings for women. And I know this will have cost impacts. But any thoughts you have on that or on other inequities that we need to address.

The president has proposed having no Social Security benefit that's below the poverty income. I absolutely agree with him on that and the guarantee of that.

But how would you propose we recognize the changes in women's lives and the terrible disparities? Some of you mentioned the problem for couples. But on this particular issue of imputing income to women, I would be interested in your thoughts.

Mr. Apfel?

APFEL: First, I'd say that I remember our discussions on this in Connecticut when I did a town meeting with you in Connecticut. And this issue came up. And you had the same passion on this issue that you have now.

So I think that this is an issue that needs to be looked at carefully, about women. I think that there's a number of things that Social Security does that are very, very important for women. But there are also areas that there are some problems that need to be looked into.

So there's nothing wrong with trying to figure out a way to improve a system to make it better. There are profoundly important benefits for women. Women are the majority of all beneficiaries, live longer.

We all know these things. But something in this area, I think, is something that should be looked at.

I'd also point out that the president's proposals were in addition to Social Security back during the Clinton Administration, not taking away from Social Security defined benefits. And that's really the core question here, is not whether more individual savings is needed. It's whether we want to have a...

N. JOHNSON: My time has expired, but I just would remind you that money coming into Social Security now goes into the general fund. And you all know that. And you know what we do with general fund dollars.

And it accumulates debt. Money going into a private account would go into an account. It's tangible. There's got to be some difference between flowing dollars into a tangible account that can be cashed in.

If China wants to recoup a bond, we sell it in the private market and we pay China. We cannot do that with Social Security. So there is a difference between the money that goes into an account.

This is a longer discussion. But thank you for all your ideas. And we'll pursue this over the course.

THOMAS: The gentleman from California, Mr. Stark, wishes to inquire.

STARK: Thank you, Mr. Chairman. I just want to set to rest this issue of Democrats coming up with a plan.

When one party controls the White House and the Senate and the House and they can't get anything done, they tend to blame the minority. And that's a copout.

The Republicans control the entire federal government. And if they can't get something done with Social Security, then it rests on their shoulders.

Why, when it came time to pass a lousy prescription drug benefit or the budget, they got their leadership back with the lobbyists from those foreign trips. And they kept us there. And by golly, they got it done.

So if you could get your leadership back with those lobbyists who are going to write your legislation and get to work, then the Republicans don't need us. They can go ahead and pass a plan.

And to suggest that the reason they're not passing a plan is because we don't have one is sophistry. It just doesn't wash. They're in charge. And if they can't run the place, then they ought to quit and we'll get back and run it well as we used to.

Mr. Furman, the president has proposed some benefit cuts for the middle class. In this stacked jury — and when I get up in front of a jury, I certainly hope the chairman will vote to select my jury — but in this stacked jury, I've been hearing this discussion of "income relating." Now that's really a euphemism for cutting middle-class benefits.

But you may call it in your answer, Mr. Furman, what you please.

But in these benefit cuts, he's got a benefit cut for everyone who earned more than $20,000 a year — that's $10 an hour — and additional privatization tax, which further reduces the benefit. Can you give me an overview of the impact of all of these cuts that are supposedly progressive cuts and what it will do to the guaranteed benefit for the middle class, which the Republicans don't care much about?

FURMAN: Yes, I'm happy to. And very briefly, before that, a lot of people who make less than $20,000 a year — probably about half the people that make that — would also see their benefits reduced by this plan.

And the particular types of people are widows, children whose parents have died, divorced spouses, people who are getting a benefit on the basis of someone else's work history who might have made $30,000 a year and is of the middle class, by this definition. But they themselves are very poor and are seeing their benefits cut.

So I would not accept the assumption that people less than $20,000 a year are protected by this plan. They are not.

In terms of middle-class families, the types of benefit reductions you would see relative to the benefits scheduled in current law are: for a middle-class family retiring in 2055, 21 percent to 31 percent. And those benefit reductions would grow over time.

On top of that, what you described as the privatization tax or the benefit offset would be another $10,000 to $15,000 taken out of your benefit. It would leave you with a benefit of a few thousand dollars a year, plus an account on top of that, but only a few thousand dollars of rock-solid.

STARK: You mean $2,000 or $3,000 a year?

FURMAN: It depends. You take a family making about $50,000 to $60,000 a year, retiring in 2055, they'd get a benefit of $4,000 a year.

STARK: Members of Congress get that in two months.

FURMAN: That's all they would get. In addition, they would have an account. And that would be subject to market risk. But in terms of the traditional defined benefit, it would be a few thousand dollars.

STARK: What would that account pay them, if anything?

FURMAN: The account is subject to market risk. And Professor Schiller's (ph) studies say that 32 to 71 percent of the time, you would end up losing money by choosing to participate in those accounts.

STARK: Suppose you made money? Put part of your payroll tax in over a period of time. Take a quick cut at that apple. What would that pay, if you annuitized that great account in the sky?

FURMAN: You would have a certain amount in the account. Table 3 in my written testimony goes through a variety of rate of return assumptions.

If you take one from a survey that the Wall Street Journal did of 10 prominent financial economists, you got the rate of return that those 10 people were projecting, not even counting the extra cost of risk. They found out you'd come out about $6,000 behind if you were retiring in 2075 and you take into account both benefit reductions.

STARK: Sounds like a heck of a deal.

Could I yield the balance of my time to Mr. Levin?

LEVIN: There isn't much time. Can I do...

THOMAS: Tell the gentleman he has six seconds left.

(LAUGHTER)

LEVIN: Thank you.

Then Mr. Hunter, you say ...

THOMAS: The gentleman's time has expired.

(LAUGHTER)

When we come back to you, Sandy, I'll be generous on your five, OK?

The gentleman from California, Mr. Herger, wishes to inquire.

HERGER: Yes. Thank you, Mr. Chairman, for putting together this panel, this outstanding panel, and being so aggressively, in a positive way, going after this issue which affects our nation, our children and our grandchildren. I applaud you for your efforts.

Dr. Lindsey, critics of the president's plan to create personal accounts assert that it would cost trillions of dollars. Would you explain why the U.S. economy will not be worse off and will likely be better off under the president's proposal to establish personal accounts?

LINDSEY: The personal account plan leaves the Social Security system whole because the benefit adjustment that

occurs saves Social Security money for all the money that is moved into the personal account. So I don't think that it's an accurate statement to say that there is a cost here or that Social Security is made weaker. In fact, the Social Security system is made whole under the personal account proposal.

HERGER: Thank you.

Mr. Pozen, your plan has been accused of cutting benefits for middle-income Americans. Under your plan, would future retirees get less than today's retirees, even after adjusting for inflation?

POZEN: No, they would get considerably more on purchasing power basis. They would get 20 to 30 percent more on purchasing power.

The — quote, unquote — "cuts" are cuts deemed less than the scheduled benefits that we can't afford.

HERGER: And Mr. Pozen again, which promises a higher rate of benefit growth to medium-wage workers, aggressive price indexing or benefits that are payable under the current program?

POZEN: If we don't have major reform, the benefits payable under the current program are about 26 percent less in 2041 and progressive indexing would give them a much better deal than that.

FURMAN: If I could say one thing about that? Under progressive price indexing, the trust fund would be exhausted in 2047. At that point, an additional 15 percent, across-the-board benefit cut on top of the sliding-scale benefit reductions would be required.

When you take both of those into account, it's no longer necessarily the case that you're better off under payable. If you're doing a genuine, apples-to-apples comparison, comparing the current system and what would happen when the trust fund was exhausted, you have to apply the same standard to the president's plan and look at what happens when the trust fund is exhausted in that plan.

POZEN: Mr. Herger, I would disagree strongly with that.

HERGER: Mr. Pozen, would you like to comment?

POZEN: I would disagree strongly. I think that we do not — that analysis is only correct if we think we have to get to a zero percent present value.

FURMAN: But that's what the payable benefits do. They are based on a baseline of zero.

HERGER: Mr. Furman, I've asked Mr. Pozen to comment. Thank you.

POZEN: My plan would — progressive indexing slows down the growth of entitlement so that, in 2079, you would roughly have the amount of money coming into the system would be roughly the amount that goes out. I don't think it's necessary to reach a zero present value of the deficit at the moment.

What we need to do is to get the financing the system to the point where we can carry the mortgage. And we can carry the mortgage if we reduce the entitlements and benefit growth by roughly 70 percent.

HERGER: Dr. Steuerle, would you like to comment?

STEUERLE: Yes, Mr. Herger. I would just like to comment also that there are a whole variety of ways of doing what is called progressive price indexing. The bottom line is we all know the system's imbalanced. And we all know that, one way or the other, the middle class and the upper class are going to pay to bring it back in balance.

We're not going to impose it on the poor. We could cut benefits. We can increase taxes and we can pick which generation we're going to do it on.

But one way or the other, they're going to have to pay to get it back in balance. And what we then need, given the variety of ways we can do things like progressive price indexing, is to sit down, roll up our sleeves and look at some of the data over who we can protect, how we can do it and alternative ways of doing it.

This is not, again, an advocacy side. There are a variety of ways to do this to deal with a variety of these issues. But I think we have to admit up front that one way or another, either through lower benefits or higher taxes to bring it into balance, somebody's got to pay. And I'm guessing it's going to be the middle class and the upper class.

HERGER: I want to thank you again. I mean, this idea of doing nothing and the fact that the Democrats have no plan and with knowing how we have more and more people retiring with fewer people paying in, I want to thank those of you who are presenting a plan with the courage of coming forward. And I thank you very much.

Thank you, Mr. Chairman.

THOMAS: Thank the gentleman.

Does the gentleman from Louisiana, the chairman of the Social Security Subcommittee, wish to inquire?

MCCRERY: Yes, Mr. Chairman. Thank you.

Mr. Pozen, I believe or at least you've been quoted as saying that under your progressive indexing plan, that workers making under some figure — I don't know if it's $20,000 or $23,000 or $25,000 — would continue to have their initial benefit calculation indexed to the wage index.

POZEN: That is correct. Progressive indexing doesn't begin until 2012.

MCCRERY: Right.

POZEN: And it would be people making $25,000 a year at that point would e fully protected under progressive indexing as to their current schedule.

MCCRERY: And could you explain what you mean by people making $25,000 or less?

POZEN: Those would be people who, at retirement, would have average career earnings per year of $25,000. When the actuaries compute your initial Social Security benefits, they give you your average career benefits. And then they adjust it upward by the amount that wages go up. And that's what we would continue to do for that group.

MCCRERY: Thank you. So Dr. Furman's comments about your proposal affecting people who make less than — in fact, he used some high percentage, half maybe, of all people making less than $25,000 a year would be cut, that's simply apples and oranges, isn't it?

POZEN: I think it is a very difficult analysis that he's making. And he's trying to bring in people who might be widows of somebody who was in a certain situation.

These are complex issues which should be dealt with. But I think the basic thrust of the protection is still at $25,000.

FURMAN: Happy to provide for the record a White House document showing the bottom 20 percent get their benefits...

MCCRERY: It doesn't matter. If you're talking about two different things, it doesn't matter. You can provide all the backup you want.

But Mr. Pozen, I would hope that...

THOMAS: If the chairman would suspend briefly? Does the gentleman refer to a document that responds to Mr. Pozen's plan?

FURMAN: The White House did an analysis entitled, "Interpreting Benefits Estimates for the Pozen Provision." That's the title of the White House analysis.

THOMAS: Does Mr. Pozen agree with the...

FURMAN: It shows that his plan, the bottom 20 percent get less under slide...

THOMAS: Dr. Furman, I want to know if Mr. Pozen...

POZEN: I haven't had a...

THOMAS: Actually, if the Democrats on the panel could just get along, we could move a lot...

POZEN: I haven't had the chance to study that, Mr. Chairman.

THOMAS: Well, obviously, the chair will take whatever official documents are listed. But the description of those will be suspended until we analyze them if, in fact, it's an attempt to respond to the plan that Mr. Pozen has, because he's

here.

Thank the gentleman. And it won't count against him on his time.

MCCRERY: Thank you, Mr. Chairman.

It should be clear that Mr. Pozen, when he talks about people whose incomes are less than $25,000 will continue to get the wage index calculation, is referring to retirees who have an average monthly wage of $25,000 or less.

POZEN: Average annual wage.

MCCRERY: I'm sorry, annual. That's their average over their 35 years of work history.

POZEN: Correct.

MCCRERY: Mr. Pozen, as a Democrat, I would hope that you would get a little tired of your fellow Democrats mischaracterizing not only your plan, but the president's proposals. For example, the continued use of the word "privatization."

Mr. Apfel used it ad nauseam today. Democrats on the panel here use it ad nauseam. Nobody is talking about privatizing Social Security. Get over it.

If you refuse to take part in this debate on honest terms, then you're going to have a hard time getting to a bipartisan solution. We are being patient, trying to work through a number of options.

And we have you here today, hoping to learn more about some of your ideas. But unless we discuss this in honest terms, we're going to get nowhere.

And we're not privatizing. We're not proposing to privatize; neither is the president.

Means testing — another example; it's clear that Mr. Pozen's plan is not means testing. It's not means testing. It's further income relating the benefit.

The system is already — there's two different things. I mean, you either know it or you don't. The level of ignorance that's being shown is, you know, getting pretty steep here. I'm beginning to think that they're doing it on purpose.

(UNKNOWN): Mr. McCrery?

MCCRERY: No. In addition to that, the double cut that Mr. Furman — Dr. Furman — talks about, there's no double cut. If you don't choose the voluntary account, there's no double cut. It's voluntary.

We're not forcing anybody to take an account. And if they don't, there's no double cut. Even if they do, there's no double cut because they're getting the money up front in their account that they would have gotten later in the out-years.

So a lot of this disingenuous and sometimes outright misleading discussion that's being done by Democrats is counterproductive. It's not helping.

We want to sit down with you and talk honestly about how to solve this problem. But you're making it very, very difficult. And I would hope that you would begin to sit down and talk meaningfully and honestly and substantively about what you want to do.

President Clinton, appearing on an ABC program that's in today's Associated Press release — quote — "I think the Democrats should say what they are for on Social Security in the next couple of weeks."

I do too, President Clinton. And I hope, finally, we can get somebody to make clear what benefit cuts and what tax increases, which is what Dr. Furman and Mr. Apfel have said that's their solution — tax increases and benefit cuts.

Fine, show us what benefit cuts and tax increases you want us to implement. Then we can begin the discussion.

Thank you, Mr. Chairman.

THOMAS: Thank the gentleman.

Does the gentleman from Michigan, the ranking member on the Social Security Subcommittee, wish to inquire?

LEVIN: I sure do.

THOMAS: The gentleman has five minutes and six seconds.

(LAUGHTER)

LEVIN: Look, the person who has made this difficult is the president of the United States of America. He set the agenda. He determined the first order of business. He comes forth in the State of the Union and says, "My answer to the Social Security shortfall," which he grossly exaggerated by calling it bankrupt, "is private accounts."

You don't like the term. I'm sorry. It's privatization. And the Cato Institute used to use that term.

It's privatization. And the problem you have is not our silence. It's our voices. We have addressed the first item on the agenda set by the president of the United States and so has the people of the United States of America.

They don't like changing Social Security into private accounts. They don't want the replacement of the guaranteed benefit with private accounts. And you don't want to listen to this.

We are going to continue to make clear what the ramifications are. And now I'm going to ask Dr. Furman, Mr. Pozen — I want to go back. There is an effort to mask here — I'm not saying you're doing it intentionally.

I'm not going to call you a Democrat or a Republican. I think you work for Governor Romney, who is a Republican. I don't care what you are. I want to talk about the implications of what you have proposed.

So I want to go back and have Dr. Furman talk about what happens when you combine — when you combine — your major benefit cuts that fall on the middle class.

And Dr. Steuerle, you can say at some point, somebody is going to have to do something or other. But let's talk about what's been proposed here.

Dr. Furman, talk in terms of the replacement rate.

By the way, you are so right, Mr. Apfel, the president of the United States, Mr. Clinton, never talked about diverting Social Security into private accounts.

So Dr. Furman, set the record straight. What's the result of combining what Mr. Pozen has proposed, what the president of the United States has said makes sense, with private accounts. Just say it straight.

FURMAN: Your traditional rock-solid guaranteed Social Security benefit would replace between about zero and 10 percent of your pre-retirement income. Everything else would be privatized, private, whatever you want to call it, but zero to 10 percent would be your Social Security benefit of your pre-retirement income, a couple thousand dollars...

LEVIN: So essentially what would happen over time is that the guaranteed benefit portion of a person who opted for private accounts would shrink, shrink, shrink. Is that true?

FURMAN: That's correct. If you look at the equivalent of somebody making $59,000 a year retiring in 2075, they'll get a Social Security benefit of $1,000. It will barely replace any of their pre-retirement income. Everything else will be private.

LEVIN: And that's the purpose here, to replace Social Security with private accounts, and we can argue about what the rate of return would be, and Dr. Shiller has put forth what the rate of return and why it would be a bad deal.

And the reason people are not buying what the president has proposed is a combination of what Dr. Furman has said straight out — when you combine the privatization with the sliding scale cuts, plus what's happened to the stock market and the retirement benefits, what's happening is that defined benefits are being replaced by defined contribution plans, and Social Security remains the foundation more and more of security.

And, Mr. Pozen, when the president says someone making over $20,000, that's in today's terms. Twenty five years from now, everybody making over that is well off. The American people are saying clearly to the president of the United States and to all of you that's a total turnoff.

And we'll sit down in a bipartisan basis when it's understood that we and the American people have responded to the first item on the agenda placed by the president of the United States, and that is privatization, personal accounts, whatever you want to call it.

We showed that in 1983, when two-thirds of the votes in this House for shoring up Social Security came from

Democrats. And, Dr. Hunter, when you talk about raiding the Treasury, talk to them on the Republican side. Talk to them. And don't talk to us who have supported proposals in 1993 that put this country on a path to no longer raid Social Security. Talk to them.

POZEN: I'd just like to clarify for the record that the chief actuary in the proposal that I made does not have these very small defined benefits left. In 2075 for the median worker —

LEVIN: Wait, this is on somebody's time. This is when you combine them with private accounts.

POZEN: It all depends on what type of private account that you combine it with. I proposed a 2 percent account price index...

LEVIN: No, we're talking about the president's account, Mr. Pozen, the president's account Dr. Furman has analyzed.

THOMAS: The gentleman's time...

POZEN: I want to distinguish that very carefully from what I have proposed.

THOMAS: The gentleman's time has expired, and I would indicate to you, Mr. Pozen, that on any response that any witness did not feel they had adequate time to respond — as you may notice, you may have something to offer, but it's declined by the individuals. It shouldn't be declined by the committee.

And so we look forward to any written responses you may have on any question that was asked of any witness but you didn't have a chance to respond to it.

Gentleman from Michigan — the other gentleman from Michigan.

CAMP: Thank you, Mr. Chairman.

We've had some references to artificial parameters before. My friends on the other side — I'll move forward with the debate, and President Clinton said, and I quote, "I think the Democrats should say what they are for on Social Security in the next couple of weeks. They've got time to put together a program."

And he goes on to say, "I think the Democrats should have a plan and they should talk to the president and congressional Republicans about it." We're talking about trying to help the savings rate in this country.

And, Mr. Pozen, your plan for progressive indexing obviously does help those at lower income levels. Are there other ways of helping lower income workers, maybe through programs like the safe credit program, which has a match and a retirement plan or 401(k), that you might also discuss?

POZEN: Yes. As I say in my testimony, I would strongly support enhancing the low-income tax credit for workers between roughly $25,000 a year and $50,000 a year, because unfortunately, given the deficit of the Social Security system, we can't preserve everybody's scheduled benefits, and we could encourage them to save more.

That credit just started a few years ago. Some of it needs to be made refundable. It needs to be made more attractive. And I think that would be a very constructive way to approach a package here.

CAMP: OK. Dr. Lindsey, in response to one of the chairman's questions, you referenced discretion in retirement and trying to have more discretion in retirement. Do you see any problem with actuarially affecting retirement benefits to allow retirees a variety of ages to retire from?

I mean, right now it's 62 or 67. Is there any problem you see in a range of ages of retirement, allowing workers more choice and more discretion based on their decisions about when they'd like to retire?

LINDSEY: I think one thing the chairman said which was quite right is that there are a large number of people in society who either have jobs that they can't continue or who have their lives changed late in life.

And what we have is a one-size-fits-all system. One thing we should recognize, and Congresswoman Johnson said the same thing, is that life has changed. The one advantage that has not been mentioned enough about moving toward more discretion through personal accounts is that it gives people a chance to fine tune their Social Security benefits in a way that best meets their needs.

And I think the public is now more educated. The public knows what they need. We have a more diverse set of lifestyles. And what we should do with personal accounts within the Social Security system is give people more power

over their own lives and more discretion.

CAMP: Now, I'm interested in your views on the economic impact of raising the Social Security cap. You know, as a former Treasury official and accomplished economist, what would be the impact on jobs, for example, of an increase in the payroll cap from, say, $90,000 to $135,000, particularly as a lot of small businesses would be in that range? Have you seen a study of that kind?

LINDSEY: Yes. I think the best study was done by Martin Feldstein, president, NBER. What he pointed out was that the behavioral response in the particular example he mentioned, which — I think he actually did $120,000 — was that the government would only take in about 30 percent of the net revenue that was anticipated.

If you remove the cap entirely, the government would actually lose revenue under doing such a plan, and that's with a very modest behavioral elasticity that's very similar to the elasticity used actually by the (inaudible) committee now. So, you know, I think that's a losing proposition.

In addition, you mentioned jobs. You're right, that would be a tax directly on entrepreneurship. On all tax increase proposals, I would urge the committee to think about the fact that American workers are now competing with workers all around the world.

And when you raise taxes on American workers or American employers, you are making America less competitive with countries all around the world. And so the adverse effects of the way we adjust the system are very, very important to think about.

CAMP: Thank you very much.

Mr. Pozen, you have the low income earner level at $25,000 a year in your proposal and the high-income earner at $113,000. What impact would there be to, say, moving that low-income level up to, say, $35,000 and moving those around? Is there a particular reason why you have those particular numbers?

POZEN: Well, the $25,000 a year we chose because it represented 30 percent of all workers. And if you see (inaudible) chart, that lower third are the ones who are primarily dependent on Social Security. When you go up the income scale, the workers are much less dependent.

You could move up $25,000 to $35,000 or $40,000. You will lose a considerable amount of the solvency deficit reduction because the median wage earner in 2012 will probably be about $47,000. So you would cover another — say, at $35,000, $37,000, roughly another 10 percent, bring it up from 30 percent to 40 percent, but you'd have — you would have solvency issues.

So it's a perfectly reasonable thing to do. We just have to come to grips with the fact that then we're going to need either other benefit constraints or we're going to have to have more revenue in the system. There are no free lunches here.

CAMP: All right, thank you. And I want to thank the entire panel for their excellent testimony today.

Thank you, Mr. Chairman.

THOMAS: I thank the gentleman.

The gentleman from Maryland wish to inquire?

CARDIN: Thank you, Mr. Chairman.

And I thank all of our witnesses for being here.

I guess I have just a problem in that the suggestions that are being made here would bring a fundamental change to Social Security, where Social Security would be a smaller amount of an individual's retirement security for future generations, whether that individual be in the lower income or middle income or higher income.

And it's one thing if that's good policy. It's another thing if we're doing this because of the fiscal concerns that we have about the solvency of Social Security. And it seems to me that's the driving force, not to modernize the system for good policy. It's to deal with the fiscal challenge.

But let me just pose a caveat here, a concern here. In 2001 we passed a major tax change because we had a huge surplus that was projected. And we found out that our five-year projections weren't very good. We missed that pretty

badly as to what happened during that five-year period, or 10-year period.

So when we start talking about fundamental changes in Social Security based upon 75-year projections, when we can't project very well for two years or five years, I'm concerned as to whether you all have looked at other projections that have been made.

The Congressional Budget Office says it's going to be 2052 that we have money rather than 2041, which the actuaries are using. And the actuaries nine years ago had projected the Social Security solvency problem to be 12 years earlier than it is today.

My point is that these are moving numbers that move pretty quickly, and if we're making fundamental changes based upon the solvency numbers, have you really thought out these fundamental changes, if, in fact, the financial issues aren't as dire as we think they are going to be?

And then let me just point out in response to some of my Republican friends about what we should be doing. And I know that Democrats are united and pretty strongly voiced that it starts with eliminating the carve-out from Social Security for private accounts, because we don't want to dig the hole deeper. We don't want to take money out of Social Security.

And it's difficult to come up with solutions that add more revenue or deal with benefits when the problem is made more difficult because of the president's private accounts carve-out from Social Security.

But one of the suggestions that's been made — I haven't heard too much discussion from the panelists — is allowing the Social Security trustees to act as fiduciaries — we had that discussion at an earlier time in our committee — so that they actually take Social Security money, invest it as any prudent trustee would for any type of a pension plan, getting a better return — in other words, getting more revenue into Social Security, extending the solvency of Social Security, without raising taxes. That would deal with a good part of the problem.

But instead, we seem to be focusing on benefit cuts. And it's a discussion that we need to have, but I must tell you I get very concerned about benefit cuts that are related to income that are not predictable.

And I heard you, Mr. Pozen, talk about this. But we don't know what the future's going to hold on these different indexes. These are projections. And it may very well be means testing the benefits in Social Security if someone gets zero out of the Social Security system or a miniscule amount of money out of the Social Security system that Dr. Berman's talking about.

So before we start down this path of allowing Social Security indirectly to be means tested, meaning that it no longer is a universal Social Security program, we'd better be pretty sure of the numbers we're working with.

And recent history has taught us that we can't make these long-term projections, and I'm somewhat disappointed by the tone of the panel in being so certain about their proposals and the needs for their proposals, when history has taught us that it's not been the case in projecting the problems of Social Security.

My last point, Mr. Chairman — we did make major changes in the Social Security system that deal with the baby boomer generation. That was 1983. I was not part of Congress, but they made an effort to deal with 75-year solvency. It's time for us to look at it again. It's time for us to make adjustments.

But I really question whether the fundamental changes that are being suggested by some of these panelists are the right way for us to proceed. Thank you, Mr. Chairman.

THOMAS: Thank the gentleman. The chair thinks it will be useful — and I'll pass it out to all members and make it a part of the record so that they can see the series of votes dealing with the issue in 1983 on the floor of the House.

There were two particular amendments. The chairman of the Social Security subcommittee, J.J. Pickle, had an amendment which extended the retirement age, and the gentleman from Florida, Mr. Pepper, raised the payroll tax.

And the gentleman might be interested in the partisan break in terms of supporting fundamental change versus raising the payroll tax, and we'll make that a part of the record.

Gentleman from Minnesota wish to inquire?

RAMSTAD: Thank you, Mr. Chairman.

And I want to thank all the experts on the panel here today.

And let me ask you, Mr. Pozen, regarding your proposal for progressive indexation — a number of my constituents have come forward already at a town meeting and — at several town meetings, middle income earners, and they're concerned about projected benefits under your plan.

Now, I read your testimony as saying that retirement savings would make up for reduced Social Security benefits for median wage earners. Is that a correct statement?

POZEN: Correct.

RAMSTAD: Aside from saying we should provide more incentives for 401(k)s and other retirement savings vehicles, do you have any empirical — or any of the other witnesses, any empirical data, projections, that would support that quid pro quo that you maintain is there?

POZEN: Well we know that the replacement ratio for median workers under progressive indexing in, say, 2045 would fall from about 36 percent to 30 percent. We know that something like 50 percent to 75 percent of all median workers now participate in some form of retirement program.

And we know that if we want to encourage people to participate more, we have empirical evidence of two things. One is to the extent that we have any sort of matching program or refundable tax credit which plays that equivalent role, that has a big positive effect in terms of people's participation.

And the second thing is the sort of proposal that's been discussed here about presumptive enrollment, in which people are presumptively enrolled in 401(k) or a program like that, and then they have to opt out, that overcomes inertia and really — that's the second thing that really brings up the participation rate.

So those are two practical things that we could do to encourage people to make up that replacement rate. Most of them already are making up some of that, if not all of that, and we could do more, you know, to have more replacement by these private retirement plans.

RAMSTAD: I also would like to ask you, Mr. Pozen — your plan, as I read it, would apply a progressive indexing to workers with disabilities as well as retired workers. Why did you choose not to hold workers with disabilities harmless pursuant to the benefit and current law?

POZEN: That's a good question, and I think that I've always tried to say that the whole issue of disability needs to be dealt with separately. I, under my plan, don't try to address all the disability aspects.

I would be receptive to a hold harmless for disability. That would just involve some issue in terms of solvency, and then we would have to address that through either other benefit issues or other increases in revenues. So we can do that. It's just a question of enumerating the cost.

RAMSTAD: Please, Mr. Apfel.

APFEL: Mr. Ramstad, I think it's important to also look — and this was mentioned briefly before, and I think we should provide something in the record — looking at ancillary beneficiaries — again, widows, low-income widows, so that the worker may very well have made higher than the levels that Mr. Pozen has talked about, but when that person dies, that's going to have an effect.

So kids, widows, some of the ancillary benefits which are easy to forget about need to be looked at very, very carefully. These are low-income families who would be affected by the proposal, so it's not quite appropriate to say that low-income workers are protected.

The details need to be worked out very, very carefully, and I think we should provide some of that for the record.

RAMSTAD: (OFF-MIKE)

(UNKNOWN): Mr. Ramstad, again, I — this is one of these areas, again, where I think if we sit down and work we can really address some of these issues. As you may know, I suggested something not too different from Mr. Pozen, but it's that we have a wage index minimum.

Now, the (inaudible) wage index minimum is for the same cost. You can actually protect people at a higher level. You can protect more disabled people. You can protect more widows and spouses.

The disadvantage is for, say, someone making $70,000. You don't do as much of the wage indexing for their base. That is, for someone who's much higher income you may not — in Mr. Pozen's proposal, everybody gets some, essentially, benefit increase over time no matter how high their income level, until you hit the very top.

I realize it's technical, but there are ways to address these issues, I think, that can protect more people at the bottom, I think that would actually independently (inaudible) like personal accounts that would please people across this table.

RAMSTAD: Well, I want to thank you again. Thank you for those responses.

I must say, in conclusion, Mr. Chairman, for the first time after listening to this panel and the dialogue here, I'm more convinced than ever that we can arrive at a bipartisan, pragmatic and common sense solution to the Social Security dilemma, which may not be a crisis today in terms of an imminent danger, but it sure as heck is a looming crisis and a problem we need to deal with.

So thank you very much, all of you gentlemen. I yield back.

THOMAS: Thank the gentleman for his comments, and I, too, agree that we could reach that description that you just provided. My only question is do we have enough votes to pass it.

Gentleman from Washington wish to inquire?

MCDERMOTT: Thank you, Mr. Chairman. Today's hearing is important because I think we really need to deal with this issue.

I find it interesting that all the people picked by your staff think that privatizing Social Security is a good idea. The sooner you and the president realize that privatizing Social Security is as dead as disco, as far as the Democrats are concerned, the sooner we'll get to the serious business of doing something about this whole proposal. It's not going to happen until you make that decision.

The president the other day, though, finally, after he was driven out of the weeds by his trip on the road, found that he had to admit that the privatization scheme required slashing benefits to the middle class.

And then adding insult to injury, we now know the president's plan will only close about one-third of the funding gap. Now, here we are today, having this hearing, pretending that privatization is actually going to work, or pretending people will be better off losing half of their benefits.

And, Mr. Chairman, I mean, even you can't defy gravity. The president's proposal eviscerates the guaranteed benefits of Social Security. Now, let's go to the chart which you see there. Currently, Social Security provides over one-third of pre-retirement income to retirees.

The president would slash...

THOMAS: If the gentleman would yield briefly, on the back chart, for those in the audience, you can see what the gentleman from Washington is talking about. We'll try to get TV for us, but in the meantime the gentleman's provided us with charts, and members can look at the charts that they have in front of them. Thank you. Go ahead.

MCDERMOTT: Social Security provides — thank you, Mr. Chairman. That's good. That's a good clarification.

Social Security provides over one-third of pre-retirement income to retirees. The president would slash these benefits to almost nothing for a middle-class person that today earns $58,000. That's what Dr. Furman just talked about.

Now, since when do we expect less for our children than we do for ourselves? Now, I know some of you are saying well, we're going to make it up with the stock market. Mr. Furman, is it likely that private accounts will make up these benefit cuts?

FURMAN: I don't know what's going to happen to the stock market. Mr. Pozen is more likely to. But in my written statement, I presented six alternative scenarios, one that's used by CBO, one that's used by the actuaries, one that appeared in the Wall Street Journal, Shiller, and every one of the six — your stock market returns are not enough to make up for those benefit reductions.

MCDERMOTT: Thank you. So those numbers sound similar to the numbers I've come up with, and you'll point — if you get that, you'll see now, with your stock account, that red is how much you're going to make up. If you're $58,000 today, that's what's going to happen to hour Social Security.

And even considering the rosiest — and this is the rosiest one — out of the private accounts, the returns will still not make up the benefit. Now, the president's privatization means everyone's retirement will be tied to Wall Street, everyone's.

Now, Dr. Furman, you're familiar with Robert Shiller, the Yale economist, aren't you? Is he a good, reputable man?

FURMAN: I think he's considered one of the top financial economists.

MCDERMOTT: He wrote a book called Irrational Exuberance and in it examined the cycles of the stock market. These were the two long-term downturns in the last century. The first period begins in 1929, and the second period beings in 1967. Shiller pointed out that once you consider the impact of inflation and dividend payments, that people in the market before these slumps had to wait nearly 20 years to make their money back.

Put up a slide here. This is the 1967 one. This slide shows the last market slump. It began in 1967. A dollar invested in stock in 1966 would have been worth less than a dollar when you made computations on inflation and you made dividend computations, you'd have to go all the way to 1985 to come back to the same value you put in.

Now, this is important, because you don't get to choose when you're going to retire. Just look at Bill here for a second. He looks nervous. Right? He can't choose when he's going to hit retirement age, so during 40 of the last 76 years, the market has been down.

Mr. Furman, people's define contribution plans are already at risk in the market. If we privatize Social Security, aren't we putting people double in jeopardy with having their defined contributions at their work or whatever, or their 401(k)s or whatever, and then we add Social Security, it's really putting people at double jeopardy.

FURMAN: I would call it 100 percent jeopardy. Their entire benefit would be in the market.

MCDERMOTT: Lastly, let me say something about the...

THOMAS: The gentleman's time has expired.

MCDERMOTT: ... what this says about the fairness.

THOMAS: The gentleman's time has expired.

MCDERMOTT: If anybody thinks that's a fair way to go, we're willing to vote on it. Just bring it up and put it on the table.

THOMAS: Thank the gentleman.

Mr. Nussle?

NUSSLE: Thank you, Mr. Chairman. And I want to thank all of our witnesses. It's been a very interesting — let me restate that. Your portion of this has been very interesting, and I appreciate your testimony.

I've held a lot of town meetings in Iowa and have had a chance to talk to a number of constituents, and their concerns are much broader than Social Security. They're concerned about health care. They're concerned about their pensions.

Certainly, with the news that we've seen lately they're concerned about their savings, prescription drugs, the value of their house, taxes — on and on. I mean, you know, that, to me, is retirement security and I think part of the reason why this debate, while certainly important, is far too focused and narrow, because retirement security is much broader than that.

It's troubling, because I do think that there is widespread understanding that we do have a challenge, a problem, that we do need to deal with. And thus far, at least, we hear that there is opposition to personal accounts. There's opposition to progressive indexing. Basically, not too many changes are being suggested.

The one that kind of gets hinted at that I hear particularly from those who don't have a proposal that they're interested in questioning, is increasing taxes or changing the earnings base. In fact, I've had some Iowa constituents that have asked me that.

There's kind of this popular, almost Internet, e-mail, however you want to put it, that basically goes like this. All you have to do is increase the earnings that are subject to the tax, and this will take care of itself, just increase that and it will take care of itself, from $90,000.

And I guess my question would be is that true, and let me start with Mr. Lindsey on that point.

LINDSEY: No. Even under the most narrow set of assumptions, you might delay the point of date of insolvency, if that's what you want to use as a parameter, by four to six years.

But, more importantly, as just about every economic study has shown, when you raise those taxes, you create an incentive effect that costs the government not just Social Security tax revenue but also income tax revenue.

And to use, again, Martin Feldstein's example, he believes that we would actually see a reduction in total government revenue as a result of eliminating the wage cap completely.

(UNKNOWN): At the very least, whatever the number is, you will not get the projected increase.

In addition, what you are doing is you are taxing American worker and American businesses and American entrepreneurs. And you are not taxing Chinese workers or Indian workers or European workers or anyone else you'd want to compete against.

So if we live in a globalized economy, I don't see the benefit to the American economy or American retirees of making us carry an ever-increasing burden of these costs while others do not.

(UNKNOWN): I'm not recommending that...

(CROSSTALK)

FURMAN: I actually have actual numbers for the question you asked from a Social Security actuary.

(UNKNOWN): Oh, OK, then what are your actual numbers?

FURMAN: It's worth the committee, if you're considering this proposal, being guided by that. A memo dated February 7th says that if you make all earnings subject to the payroll tax, but retain the cap for benefit calculations, that would reduce the 75-year deficit by 2.2 percent of payroll. That's larger than the entire projected deficit.

So according to the Social Security actuary's memo, eliminating the cap, but retaining it for the purpose of calculating benefits would eliminate the 75-year deficit.

(UNKNOWN): That wasn't the question. That wasn't the question. And that's not the popular e-mail chain letter that seems to be out there.

So I appreciate — again, this is I think what was being discussed earlier. You are comparing apples with oranges.

The second thing that I wanted to just ask Mr. Lindsey about in particular is this issue about increasing the payroll tax. And I think that you went to this — this is important because this whole notion that you're talking about, particularly in the lower-income, lower-skilled jobs, entry-level jobs that are in direct competition right now with, as you said, China as an example, I would think that an increase in the payroll tax on the front end would be a gigantic drag on our ability to compete in that world market that you're talking about.

LINDSEY: Americans are now competing on a global basis. And the assumptions we had in the past in the '30s or the '40s or the '50s when we were creating this system did not take that fact into account.

I think what we really have to begin to do is focus on American competitiveness. That's going to be the key to the solvency of the Social Security system.

You know, the word "guaranteed benefits" has come up, yet in 1978, with very, very little notice, President Carter and the Congress cut benefits. The same thing had to happen in 1983.

So what benefits, what those two I think point out, is that the solvency of the system depends on the economy. And the only way you can protect future retirees is to have a robust U.S. economy. When we did not have a robust economy, such as 1978, we ended up cutting benefits quite a bit.

(UNKNOWN): Thank you.

THOMAS: Mr. Johnson?

S. JOHNSON: Thank you, Mr. Chairman.

Mr. Tanner, I'd like to get into a little more detail with you about recognition bonds that are an important and unique part of H.R. 530, our bill. Those bonds represent the amount of benefits that individuals have earned up through the time

they opt into personal accounts. Everybody is saying it's your money, but as you know, it's not.

The Supreme Court said it isn't. It's the government's money. And we want to make it their money. And I wondered if you could talk about the recognition bond.

It's a zero coupon bond. And I wonder if you could describe that term for those who might not be familiar with it.

TANNER: Certainly. We are talking essentially about a bond that does not have any particular attributed interest rate to it. It has a face value, if you will, equal to the lifetime accrued benefit that an individual has earned and that's payable on a date certain; in this case, it would be their 67th birthday.

So the bond would simply be issued on a particular day and then it would be redeemable on their 67th birthday. And the value of that bond would be based on the accrued lifetime benefit that the individual has earned.

And as you said, this would lock in the level of benefits that the individual has earned and giving them actual ownership of it. I know that there have been several people today who have said that Social Security is a guaranteed, rock-bottom guaranteed benefit. But the fact is that it's not guaranteed either legally, as you have mentioned, under Fleming versus Nestor, nor economically since Social Security cannot pay the future level of promised benefits. Recognition bonds are a way of locking in benefits for those individuals.

FURMAN: The benefits under the president's plan, the accounts wouldn't be guaranteed either. There is an offset rate set at three percent that reduces your benefit.

S. JOHNSON: We're not talking about the president's proposal at this point. Thanks very much.

That bond you talk about is fully tradable, meaning that a person can sell it in the open market, but they have to deposit the cash into a personal retirement account.

So Mr. Tanner, could you describe what people can do with their recognition bonds after they opt into personal accounts?

TANNER: Certainly. Individuals who are risk-adverse could simply leave that money in their account and simply, at retirement, redeem that bond and then move that into either a program payment withdrawal system or an annuity system or even take part of it in a lump sum above the poverty level. But they would simply leave that portion in their account.

Other individuals might choose to sell it on the market, as long as they redeposited the funds from that sale back into their account. And then that money would be reallocated along the lines of their portfolio, which I believe under your legislation would be a default of a 65 stock/35 bond portfolio. And thereby, they would actually earn a better rate of return than what the Social Security benefits would be providing them.

So that would be a boost in their benefits at retirement.

S. JOHNSON: A bonus, if you will, to those who are in their 40s when they opt into that system.

TANNER: A premium. They get that as well as these benefits would be fully inheritable. As you know, under the current Social Security system, if you die before retirement or after retirement, you can't leave the money to your heirs.

Under your proposal, the recognition bonds would be property, the same way as the money in the individual accounts. And an individual dying in their 50s or 60s would be able to take that money and pass that on to their wife or their children or their church or their favorite charity, wherever they want to spend that money.

S. JOHNSON: What you're saying is the Social Security money that has been input up to date during their working period is their money.

TANNER: Yeah, I think we've been very misleading to people in letting them believe that somehow, the money they pay into Social Security belongs to them. The fact is that the Supreme Court ruled that it's simply a tax. And then there's a government spending program no different than, say, farm price support, that later on the government decides to allocate to individuals.

There's not a connection between what you pay in and what you get out. Under your bill, what you're saying is that the money that they pay into the Social Security system, both the money they paid in the past and the money they pay in the future, would belong to them, would become their property.

It's a unique feature of your legislation. And I think it is one of the things that most recommends it.

S. JOHNSON: Thank you.

In your testimony, you say comparisons to Social Security promised benefits are meaningless since current law can't be paid. Often, we see the press use the term "benefit cut." When compared to what today's retirees are receiving or compared to what's payable, benefits aren't being reduced at all.

Would you clarify that issue?

TANNER: Yeah, I think this has been one of the most unfair charges that opponents of personal accounts have made or opponents of the progressive price indexing. They've been particularly unfair, I think, to Mr. Pozen in saying that somehow that any reduction in the growth of future benefits is somehow a cut.

The fact is the projected level of benefits in the future cannot be paid. We simply cannot meet those promises.

All we're talking about doing is bringing those promises in line with reality. You might as well say that somehow the Social Security system reformed program doesn't send every senior to Disneyland. They would have about as much reality as saying that we're cutting Social Security benefits by simply bringing them in line with what actually can be paid.

S. JOHNSON: Thank the panel.

Thank you, Mr. Chairman.

THOMAS: Mr. Lewis?

J. LEWIS: Thank you very much, Mr. Chairman.

Let me thank members of the panel for being here today. This debate about Social Security is really about whether we will honor the commitments we've made as a nation and as a people.

Are we going to honor the commitment we've made to our seniors, the disabled and the children who have lost a parent? Social Security is a sacred trust, a covenant, a guaranteed benefit.

Two days ago, the president said it again, that there is no trust fund — no trust fund. As I see it, there was a trust fund when the president decided to spend it on tax cuts. There was a trust fund when he decided to spend it on the war in Iraq.

But now there is no trust fund when it comes to use the trust fund for its intended purpose, to pay Social Security benefits. It is amazing, unreal, unbelievable to me.

And I happen to believe, Mr. Chairman, that we have a moral obligation, a mission and a mandate to pay those funds back. Every worker in America has paid toward that surplus. And we expect it to be there to pay benefits.

Mr. Apfel, is there a Social Security trust fund? And when you were Social Security commissioner under President Clinton, what happened to the Social Security trust fund surplus?

APFEL: There is a Social Security trust fund. It is, by law, available for one thing, and that's paying benefits for current and future beneficiaries.

The monies, if they are taken out of that trust fund to pay individuals who are paying it in, that money therefore is not going to be available to pay benefits for current and future beneficiaries.

During the Clinton years, one of the very important things that took place was we were starting to pay down debt with those trust funds, which puts us in a stronger position, I believe, to be able to grow as a nation. We were saving as a nation in terms of overall government savings.

That's what took place during part of the Clinton Administration. It was one of the things that left me with some optimism that we'd be able to resolve this issue, given that change in fiscal climate.

So during the years, particularly the end of the Clinton Administration, those monies were used to pay down debt, which put us in a stronger position in terms of overall national savings.

J. LEWIS: Thank you.

APFEL: And the only purpose for those funds is to pay benefits for Social Security beneficiaries.

J. LEWIS: They're dedicated, designated to pay benefits — nothing else, nothing less.

APFEL: Yes.

J. LEWIS: Thank you.

Dr. Furman, the president has described his across-the-board cut as affecting the well off, the well-heeled, the rich. As I understand it, everyone with incomes over $20,000 will get a benefit cut.

Do you or do you think most Americans view these people as "well off?"

FURMAN: It's up to most Americans to decide, but I think most people making $35,000 a year probably don't consider themselves as rich. Percentage-wise, the benefit reductions in the plan for someone making $55,000 or $60,000 are almost the same as they are people making $6 million a year.

J. LEWIS: Dr. Furman, if I might continue with you, will young people in particular be burdened by the president's privatization plan because they face the greatest benefit reduction and also would bear the burden of all of this unbelievable God-forsaken debt?

FURMAN: That's correct. They would see the largest change in their Social Security benefits.

J. LEWIS: Mr. Apfel, Dr. Furman, there's a story in the LA Times today — and I believe it ran on the Associated Press yesterday — that the president's proposal will reduce benefits for widows, the disabled, survivors. Could you — have you seen that story? Have you read the story? Would you like to elaborate?

APFEL: Haven't read the story, but we have talked about this up until now. If you do two things, you cut benefit commitments in Social Security by creating private accounts and you do the indexing proposal, the wage-based cut, it is going to have a secondary effect on lower-income people, many lower-income people: widows, the disabled, et cetera. So a number of people will be affected by this who are in the lower income categories.

I would also point out again that this is also shifting risk. It is saying that if the markets do fine, then maybe things are going to be fine.

But if the markets don't do fine, then that does put the individuals at risk in terms of their overall security. And that would be true for every person — rich and poor — who are in the system.

J. LEWIS: I thank you very much. My time is expired. Thank you.

THOMAS: Thank the gentleman. And obviously, we're all following various newspaper stories with great interest. And I find it amazing that people prefer predictions to the future as to reality versus what's occurred in the past, which is certain. But that's what this is partly about.

Does the gentleman from Missouri wish to inquire?

HULSHOF: I do, Mr. Chairman. Thank you for the recognition. And let me just say at the outset, the view up here is much better.

THOMAS: Let me tell the gentleman that it was a real pleasure to call on him, looking directly across the upper dais, rather than looking down, over the years. So welcome to the upper level.

Be careful — there's less oxygen up here.

HULSHOF: Thank you, Mr. Chairman.

I respect the gentleman who just inquired, the gentleman from Georgia, who is a friend. And he spoke of a sacred trust and he used the word "covenant," and he used the word "promise."

HULSHOF: You know, many of us are going to have the opportunity — this is graduation season. And many of us will speak to young graduates that are leaving the college life and getting ready to embark upon a work career. And we're going to speak of hope and optimism and promise.

I wonder what my friend from Georgia or some of you would say. What is the promise that we can say to that generation that's just beginning the workforce?

Mr. Pozen, I applaud all of you being here. But I am particularly encouraged, Mr. Pozen, because I've cut out articles.

Many of you have been well published.

And particularly, Mr. Pozen, I've got an op-ed that you wrote that was at least published in the Wall Street Journal on Tuesday, May the 3rd. And let me just paraphrase or actually quote the second paragraph of this editorial.

"Judging any reform plan relative to scheduled benefits is misguided. The schedule represents the benefits we have promised but do not have the money to deliver."

And I think as this rhetoric — and you know, the chairman of the Social Security Subcommittee very passionately talked about, if we really are serious about coming up with a solution to these long-term demographic challenges, I think we need to tuck away the rhetoric.

Now, let me just — and Mr. Apfel, it's great to have you back. And I got to know you, of course, when you were the commissioner and you would come to the Social Security Subcommittee. Do you agree with that statement that basically judging a reform plan relative to scheduled benefits, is that misguided?

APFEL: I think that's one of two ways to look at benefits; one is scheduled benefits and basically one is what we have the financial resources, given the laws that exist now, in place to provide. I think looking both ways makes sense.

And looking one way or the other way alone does not make sense. I think looking — and particularly when we look 30 and 40 and 50 years out, when we have more uncertainty when trust funds are going to be gone because, let's face it, the further out one gets, the more uncertain one is about these projections.

So it may very well be that in the year 2040 or 2050 that the trust funds won't be there. And under the laws, benefits would be lower. But I think you've got to look at both — both models — if you want to be able to make accurate projections.

HULSHOF: I just got in the mail, as many, probably millions of Americans do, and that is my Social Security Administration statement. And I should have brought it.

I read it very carefully because the very first page — and I would encourage not just my colleagues here, but all Americans that get that statement, instead of turning to the inside to see what that projected benefit is going to be, to spend some time and read the very beginning part of that because it is a very cogent, non-manipulative way to describe the challenges. And it states very clearly that under the current system, that in the year 2041, as the actuaries tell us, that only 73 percent of benefits or thereabouts are going to be able to be covered.

And again, I think part of what the president has tried to do is present the challenge to the American people and then, through their elected representatives, hopefully fashioning some sort of a solution.

Mr. Apfel?

APFEL: Mr. Hulshof, that language was language that I inserted during my time. Under current laws, under current projections and under current laws, that language was included and has been for some time, because I think it's important to help the American people understand that we do face a long-term challenge.

HULSHOF: Well, and I would just say again, as we embark upon this — what I — you know, to me, politics is the art of the possible. And I would look to my colleagues on the other side to — let's fashioning a bipartisan solution.

But part of that — and Mr. Pozen, let me just — and the red light is on, but my final comment would simply be: what part of voluntary do we not understand? If I am, as a graduating senior from a distinguished university like the University of Missouri in Columbia this weekend and I'm entering the workforce. And if I choose, if I have more confidence in the existence of flying saucers or unidentified flying objects than in the fact that Social Security is going to be there for me in its present form, why can't I opt out voluntarily, if that's the path that we choose?

And again, I appreciate the gentleman — the chairman yielding and look forward to continuing this discussion.

THOMAS: I thank the gentleman.

Does the gentleman from Massachusetts, Mr. Neal, wish to inquire?

NEAL: I do. Thank you, Mr. Chairman.

Before I get to the Social Security issue, Mr. Lindsey, since you're here, is it still your position that the war in Iraq is going to cost more than $300 billion?

LINDSEY: I'm not sure that was ever my position.

NEAL: Well, the administration said it was going to cost $60 billion to $80 billion at the time. And I was just curious because you seemed to suggest that, with great clarity at the time, it would be over $300 billion. And it seems to me as though your credibility is on question on this issue.

LINDSEY: Thank you for the compliment, Mr. Neal.

NEAL: It's the rest of the administration I'm worried about.

LINDSEY: What I think is important with regard to the issue is that we consider not just cost but, as with all economic things, what you get for your money. And I think that's an issue that's going to play out.

NEAL: I want to thank you for that comment, based upon the administration's performance and forecast. That's very important.

Also, the chairman referenced the future of Social Security and how difficult it is to look at all of these things. I know something about Social Security. My sisters and I know something about it. We'd be happy to share that experience with the doubters as to what it really means in the real world.

When I hear people discuss it, particularly those in academic circles, who treat it as though it's an esoteric issue. It really is important to millions of Americans.

And that leads me to the question I want to raise with Dr. Furman, because I know that Mr. Apfel has had a chance to talk to it. Would you address the president's proposal as it relates to survivor benefits, Dr. Furman?

FURMAN: Yes, under current law, survivor's benefits are computed in the same way that retirees benefits are. You calculate what you're entitled to, based on what you earn. And then a child gets a fraction of that; a spouse would get that amount.

The president would change that formula for retirees. The exact same formula would apply to survivors as well. So that includes small children, widows. And these are a lot of situations where you look at the benefit cuts; they can be on the order of, over a lifetime, $50,000 to $100,000.

The account, even if you inherit it, is not going to come close to making up for that in a lot of circumstances.

NEAL: And how does the present calculation work?

FURMAN: The present calculation is basically you calculate the benefit as if you were calculating a retiree's benefit. And then if it's a spouse, they would get the full amount; if they are children under the age of 18, they'd get a fraction of that amount.

NEAL: Mr. Apfel, do you have any idea, off the top of your head, how many children across America receive survivor's benefits?

APFEL: I'd have to give you the exact number for ...

FURMAN: I think it's two millions.

APFEL: There are clearly millions, a couple of million kids, that are on. I'll give you the exact number for the record.

NEAL: So one could argue, with some accuracy, that because moms and dads paid into that proposal and then died prematurely — and not because incidentally they wanted to die, but they did die prematurely — that the children receive, might we argue, insurance benefits?

APFEL: They do receive insurance benefits, social insurance benefits, progressively determined. And that provides a remarkably important foundation of support. The life insurance component of Social Security is worth the equivalent of $300,000 or $400,000 per family. So it's a critically important benefit and one that I know about. When my wife was a young girl, her dad died and she received Social Security benefits as well.

So this is a critically important benefit. And we've got to be very careful here about what happens to those added benefits through these proposals.

NEAL: For those who are familiar with Mr. Roosevelt's initiative when he offered it in '35, I think that half the people

65 years and older in America lived below the poverty line. Is that correct?

APFEL: About half.

NEAL: And today, that number is inside of 10 percent?

APFEL: That number is now 10 percent. In 1959, it was about 35 percent.

NEAL: So if Social Security benefits were somehow gone tomorrow, about half of all older Americans would be back to living in poverty the day after tomorrow. No one is proposing such a thing, thank heavens.

But how many women in America rely solely upon Social Security for their retirement benefit? Do you know off the top of your head?

APFEL: For widows, the figure is about a third of widows need Social Security for virtually all of their income, virtually all of their income.

NEAL: So for those women, perhaps in my mom's generation and others, for some women who didn't work at the time, they rely solely today on the benefit of the spouses?

APFEL: Not the majority, but it's somewhere between a quarter and a third of all.

NEAL: Most significant number though, we would all agree.

APFEL: Absolutely.

NEAL: Yes, sir? Go ahead.

(UNKNOWN): Mr. Neal, I again point out, I think there are ways, regardless of what size program you want, that we can fix up survivors and spousal benefits to do better by low-income survivors who are not, in many cases, well treated. It is a free benefit that is not paid for at the margin with any additional tax.

And the biggest benefits go to those who marry the richest people.

NEAL: I don't dispute in an academic setting that you are of good intent, pure heart and good motive. What I'm worried about is the administration as they try to settle benefits based upon debt that's been run up in this country. And I think that's what we have to be mindful of.

I thank the chairman for yielding me the time.

THOMAS: Tell the gentleman we have the ability to change the law. And one of the very first questions I asked the witnesses was: were there areas inside the Social Security system that could be addressed because of inequities that have been there a long time, way before the '83 changes, and weren't addressed by the '83 changes? And frankly, if you examine on the margin creating a much fairer, more equitable Social Security system for those who most need it costs surprisingly little money, based upon the amounts of money that we're talking about we're looking for in making changes.

That's already on the subcommittee agenda. And I'm going to make sure that they look at all the ideas that were presented here and in other places because I want to state it: on the margin, given the problems we have with solvency, making the system fairer and more equitable, better, especially for those who rely on it, is going to be one of the things we do, if we do anything. And I want to thank the gentleman for his focus in that particular area.

Gentleman from Kentucky wish to inquire?

R. LEWIS: Yes, thank you, Mr. Chairman.

Back in February, the GAO prepared a statement for the Budget Committee. And in that statement, it said that, absent reform of Social Security, the nation will ultimately have to choose among escalating federal deficits and debt, huge tax increases and/or dramatic budget cuts.

As GAO's long-term budget simulation shows, substantive reform of Social Security is critical to saving our fiscal future. Taking action soon would also serve to reduce the amount of change needed to ensure that Social Security is solvent, sustainable and secure for current and future generations.

The GAO also, before this committee, gave us a startling number, that our unfunded liabilities and debt — future unfunded liability and debt — is somewhere around $43 trillion, almost four times the size of the economy. Social

Security is a big chunk of that.

It seems to me like we need to start doing something about it now, rather than later. And as far as accounts, personal accounts, I don't care whether you call it private accounts, personal accounts, individual retirement, whatever you call them, it seems to me like the American people would rather have the money in their hands than in the hands of politicians here in Congress because for the last 50 years or the last few decades, Congress has been spending the Social Security trust fund money.

So you know, who is better able to handle their money? Congress or them? I personally have faith in the American people. And I have faith in my 22-year-old daughter to be able to handle her personal affairs better than politicians here in Washington.

And by the way, you know, I really take offense to anyone who challenges my concern and my interest on this issue when I have an 88-year-old father that depends on Social Security and have a 32-year-old son and a 21-year-old daughter that is depending on a retirement sometime in their future. And I'm looking out for their best interests.

And I think their best interests will be allowing them to make choices, that they can certainly do a better job than what's been done here, especially when we're facing $43 trillion of unfunded liabilities and debt and Social Security a big chunk of that.

R. LEWIS: You know, I just can't believe that anyone just wants to stick their head in the sand and do nothing about the about this problem, absolutely nothing.

And you talk about the stock market. Well, listen, if we do nothing, the benefits for future retirees are going to be cut 30 percent. That's not a good deal.

So, you know, looking at some of these opportunities to make it a better system, and putting everything on the table, and saying oh, we're going to have to take this over, we're not going to do this — you know, the Democrats have offered nothing.

And, you know, I really think they need to — you know, this thing about liberal Democrats, what are they liberal about? They don't want to change for anything. They want to use the same old, you know, tired ways of governing in this country that have failed and continue to fail, and they do not want to come up with any reform, any changes. They just want to stick to the old ways of doing things that are broken.

You know, I'm like Jim. I think some people around here need to get a life. Thank you, Mr. Chairman.

THOMAS: I thank the gentleman.

The gentleman from Arizona wish to inquire?

HAYWORTH: Mr. Chairman, I thank you very much for the time.

To the witnesses, thank you all for this discussion. And I suppose we reaffirmed today that politics and policy are inseparable, and that's scarcely a profundity on my part.

But hearing some of the concerns or those notions expressed as concern, that somehow it's the intent of someone to hurt survivors, or to hurt the disabled, or maybe that may not be the intent but that will be the result, I hope we can put that to rest.

In terms of bona fides, if we can get away from all sorts of stereotypes on either side of the aisle, and for purposes of full disclosure, my parents are in their early 70s. They depend on Social Security as the cornerstone of their retirement.

So all the demonization and all the villainy and the venom that's going to come here inevitably at campaign time really ought to be set aside. And perhaps for purposes of this discussion, we can do so.

Mr. Pozen, welcome.

You discussed with my colleague Mr. Ramstad earlier the notion of holding harmless disabled workers. Now, I think it's important to reaffirm that protecting this segment of Social Security beneficiaries is vital.

This is a population that depends on Social Security. We have a time-honored responsibility to those people who are disabled. What budget impact would there be if disabled workers are held harmless under what we might call Pozen

indexing, or wage versus price indexing, or any form of indexing?

POZEN: I don't have the exact numbers, but my rough estimate would be that instead of solving 70 percent of the solvency gap in Social Security, you'd probably bring it down to 65 percent or 60 percent. It all depends on how much you want to do all survivors, all spouses, all disabled.

And I think Gene makes an excellent point. We have to distinguish in all these things between a widow who's in poverty and the widow of a very wealthy person.

Similarly, if somebody worked for Goldman Sachs for 20 years, and then was disabled, we shouldn't really be spending a lot of Social Security benefits on them, so it would depend on the exact design.

But I think everyone's in agreement that we need to protect these various classes, but I think we need to start to distinguish between those people who are relatively affluent and those people who are not in those classes.

HAYWORTH: So discernment as part of public policy and a recognition of where people come in...

POZEN: Absolutely.

HAYWORTH: Yes, sir.

(UNKNOWN): In my statement, I said the place you should start is on deciding what your principles are. If you want to protect people who have young children, then that's what your goal is, and you design the plan around it. The idea that the president makes a law — it's not in the civics lessons I took when I was young. I thought the laws were made here. They're not made here.

Well, the president certainly has input, but the laws are made here. You decide what your principles are, and then you design a plan around it. You can design a plan that protects survivor benefits. You can design a plan that protects disability benefits.

You're adults. You know what you want. Think about what you want and design a plan. The people at this table, once you tell us what you want, can design a plan in a couple days for you.

HAYWORTH: And I think that's important, again, to reiterate. At times, we are criticized for maintaining that this is a study of the obvious. And what has happened here — you look at a different venue in much the same way.

When President Kennedy challenged us to put a man on the moon and return him safely to earth in the decade of the 1960s, President Kennedy didn't lay out — OK, we're going to have Project Mercury and Gemini and Apollo and a Saturn-5 will go to the moon with a lunar module. That was left to others to decide.

The president proposes. The Congress disposes. And despite, sadly, some of the grandstanding and the speech making and the demonization of the intent, whether from the executive branch or here in the legislative branch, I believe there are core principles, that it may not profit people in the short term politically to agree to for whatever reason, but certainly would benefit this country to agree to.

And I think, to remind those who happen to join us to see what we're doing, we're setting up the notion of where we should go. And again, as we have this panel of experts, Mr. Chairman and my colleagues, the fact is we can learn from all of these people and we can embrace some common goals.

I thank the chairman for the time. I thank the panel again for its testimony.

THOMAS: The chair will indicate that on the floor of the House we're currently in a 15-minute vote, and it will be followed by a 15-minute vote.

I'll ask the gentleman from Louisiana if he wishes to inquire now. Otherwise, the committee will stand in recess, or after the gentleman from Louisiana inquires the committee will stand in recess. We have about 10 minutes, so you have five minutes to make it.

And let me say to the panel, first of all, thank you very much. I hope you can stay. The chair's intention is to have all members of the committee inquire. You'll get some appropriate Ironman recognition.

But I also will tell you that during that half an hour there is some food available in the back if you would like to eat as well, if it meets your standards, and then we will reconvene one half hour after the gentleman from Louisiana concludes

his inquiry.

The gentleman from Louisiana?

(UNKNOWN): Thank you, Mr. Chairman.

Well, we made reference to — someone on the committee before me to newspaper articles today. I want to talk to you about two of them.

First, there's an A.P. story out today which quotes a White House official — it says — as stating that 15 percent of all retirees under President Bush's plan would probably not be able to pass along a Social Security inheritance, a figure that rises to 30 percent for those with lower lifetime wages. That's fairly a quote from the White House official. I don't know what his name is.

But there's been a lot of talk about the inheritability of these accounts as a principal reason why there ought to be adherents to them.

And so given that that's an important idea (inaudible) the president's privatization ideas, and given the fact that persons of color have lower lifetime wages on average — as another example, the president's talked about the need to make these accounts available for (inaudible) African-Americans who he's talked about having lower life expectancies, it seems to take some of the progressivity out of the idea that — of the president's plan and out of the notion of a progressive index and being helpful to these populations.

So with that in mind, I'd like to ask Dr. Furman and Dr. Apfel to comment on the effect of the president's proposal on individuals with lower lifetime wages, particularly as it affects this issue of inheritability that the president's talked so much about.

FURMAN: I'll answer briefly and then — one other thing is I don't doubt the sincerity of a lot of people like Mr. Pozen that they want to protect survivors and they want to protect the most vulnerable. But Social Security has an exceedingly complicated formula that's used to determine benefits.

And when you start changing that formula dramatically, you have dramatic effects that maybe you didn't even realize or intend. I myself was even surprised at the White House analysis last week showing how much of the bottom 20 percent of Americans would get their benefits reduced by the plan. It was actually beyond what I had expected.

So it's not a question just of sincerity. It's a question of executing the plan well. And there have been many, many years to address these problems, and they still haven't been addressed.

In terms of your particular question, Social Security is a very progressive program. African-Americans disproportionately benefit from that. Anything that reduces the traditional portion of Social Security and supplements it with something that isn't progressive, like accounts, will leave African-Americans worse off.

It's also important to understand how the inheritance works. Under the president's plan, you inherit the account. You also inherit the benefit cut. Your husband agreed to have his benefits cut. You don't just get his money. You get his additional benefit offsets as well.

APFEL: There's a second issue, too, that needs to be addressed which has to do with annuities. The president's proposal calls for mandatory annuities up to the poverty level.

With our current Social Security system, we have a mandatory annuity system. There are tradeoffs to annuities, for mandatory annuities. And there is also risks in terms of rates of return with annuities.

Trying to retire at a time of down market conditions with the stock market can affect the balances coming in, but then requiring an annuity at that point in time depends a lot on what the interest rate conditions are at that point in time.

So it's one of the things that hasn't received a lot of attention, has to do with both market volatility as well as the annuity volatility, the volatility in the annuity world.

For lower income people to be required with their savings to purchase an annuity, not other people, creates some issues that I think need to be full thought through. The Social Security system is a mandatory annuity system.

But to say that for property, low-income people must and others do not, creates some real tradeoffs.

(UNKNOWN): I want to ask one other thing while I have another half minute or so. There was a reading from an Associated Press article dated Friday, May 6 of President Clinton's remarks.

But just ahead of that, there's also some remarks by Senator Lincoln Chafee of Rhode Island, and basically what he says is that the president should call the Democrats' bluff on this private accounts business by dropping his talk of personal accounts and then force the Democrats to then come to the table to discuss the plan, since they say they will discuss them if he drops the plan.

And you combine that with President Clinton's remark that in two weeks — he thinks Democrats ought to have something together in two weeks — so it sounds, frankly, to read all this together and take it all in context, that this is a plan that Democrats have been talking about, sounds like to me, asking the president to drop the insistence on private accounts and at the same time then going to the table to bargain about it.

Is this what you've heard in the exchanges out there from Democrats?

APFEL: Well, it certainly — if it is true that privatization is being dropped, which I don't think it has been...

(UNKNOWN): Oh, no, no. I'm saying that this is a proposal from Senator Chafee, that the president could sharpen his pitch if he dropped these and brought Democrats to the table.

APFEL: I would think that if privatization was dropped tomorrow that there would be a greater likelihood of coming together on a benefit and tax package that would be able to strengthen Social Security for the long term.

I think privatization is the biggest obstacle to seeing that take place.

THOMAS: And you can sure take that statement to the bank. I think you'll find if privatization comes off the table and a progressive payment then becomes the item that has to be dropped, ad nauseam, point after point, because, frankly, there is no interest in engaging.

In 1983, and I'll place it in the record, the vote on the changes in Social Security — the Pickle amendment to sustain a change in the fundamental structure, i.e. increase the retirement age, had 152 Republicans voting aye and 188 Democrats voting no. That fundamental change was sustained by the minority, the Republicans.

The Pepper amendment to simply raise the payroll tax even beyond the amount that we had raised, plus the acceleration that we had put in the underlying bill — there were 165 Republicans that voted no, and there were 131 Democrats that voted no, 131 voted yes. Republicans sustained not going back to the same old, same old of the payroll tax.

So on both the idea of fundamental reform and not going back to the payroll tax, it was the minority that controlled the choice in front of Congress, not the majority, who had at the time the opportunity to make the kind of specific changes we were talking about and to begin to anticipate the fundamental aging of the society with additional changes. Their goal, and their desire, and their votes at that point was to go back to the payroll tax.

The committee stands in recess until 2:15.

(RECESS)

THOMAS: The committee will reconvene, and, if all of our guests could find seats, I would appreciate it.

The chair wants to thank the witnesses, and, if there is anyone who has plans that won't allow them to stay until all the members who wish to inquire have inquired, we understand that. We appreciate the time that you have already provided us.

With that, I recognize the gentleman from Pennsylvania if he wishes to inquire.

ENGLISH: Thank you, Mr. Chairman, and, indeed, I do. I have to say this is a panel which has been refreshing not only for its expertise, but for its diversity.

Taking in some of the presentations that have been made, I guess my first question would be for Dr. Steuerle.

You made the point demographically people are living longer, and part of the solution of a reform of Social Security through marginal change would be to raise the retirement age.

One of my concerns would have to do with the guy on the shop floor who's, you know, been working in a physically demanding job since he was in his teens, and he's ready to retire, and, typically, he will retire anyway around 62 years old.

I believe that tends to be the pattern for most people coming through a skilled, but highly physically challenging work.

Given that kind of experience with blue-collar jobs, is it realistic to talk about raising the retirement age? Can we expect people to continue to undertake physically demanding jobs up until the age of 70, and how would you deal with the early retirement age?

STEUERLE: Thank you, Mr. English. You raise some of the very difficult issues.

As I expressed, my concern is that if you look at Social Security when it first formed in 1940, 1950, the average age of retirement when jobs were very physically demanding was 68 for men. An average age of retirement now is 63.

At 68 years of age, if you would have taken it, the life expectancy is equivalent about 74. So, if people today were retiring about as they did in 1940, they'd be retiring about 74 on average. Instead, they're retiring at 63.

You go out another 60 years — mind you we're talking about fixing a system 60 years in the future — it's another four years of life expectancy they have. So we have the dilemma that the system, which is becoming more and more a middle-aged retirement system, is giving benefits to all of us, you and me, to retire when we might have 20 or 25 years of life expectancy.

So the dilemma is: How can we protect some people who really do have to retire without giving benefits to everyone to retire at middle age? A third of adults — a third of adults — are scheduled roughly to be on Social Security in the near future if they retire at the same ages that they do now.

I think there are several things you can do. One, I think, you do have to retain a good disability system to help people that are disabled. I think for lower-income people — and these include the people who have the blue-collar jobs — while I don't know that we can actually give them a different retirement age, I don't know how to distinguish between types of jobs that well, I do think that one could increase something like minimum benefits, so, you know, that there are ways that their expected lifetime benefits, even though they might have to work another year, their expected lifetime benefits will actually even be higher.

So maybe they only get 12 years of retirement instead of 13, whereas you and I only get, you know, 20 instead of 21, but we can do more for them to increase their lifetime benefits. Then we can increase the replacement rates a lot in those later years.

ENGLISH: That could be one piece of the puzzle. Another piece of the puzzle has to be how we generate revenue and how we generate revenue consistent with the principles of the system.

Now, Dr. Schieber and Dr. Lindsey, I wonder if you could briefly comment with the remaining portion of my time. Many have proposed to eliminate the cap on the payroll tax as a way of generating additional revenue to address all or part of the problem at Social Security, and yet it seems to me that's going to have an enormous impact on the economy, particularly on small and incorporated businesses, and significantly change the extent to which individuals pay for and contribute to their own retirement.

Your comment, Dr. Schieber, and then Dr. Lindsey.

SCHIEBER: Well, we heard a considerable amount this morning of concern about turning this into a welfare program, yet we have heard discussion about a proposal that would take the cap off of earnings for purposes of raising the payroll tax, but maintaining the cap for financing benefits. That would seem to me to be the ultimate conversion of Social Security into a welfare program.

Today, you get benefits based on the income that you have paid taxes on, and you would now have a whole set of your income that you were generating no benefit at all, and I would say, if you want to move in that direction, why would you constrain yourself just to earned income?

Take somebody like Warren Buffett. Warren Buffett takes $100,000 in compensation, in pay out of his company each year, but we know he takes a bit more than that out of the whole thing. Why would you just want to constrain this on people who, I guess, I would characterize as having the misfortune of earning their income through their labor services as opposed to other things they do?

It seems to me that would turn this into the ultimate welfare program, and, if you want to do that, then you really should look at lowering benefits and making this affordable.

ENGLISH: Yes?

(UNKNOWN): Related question.

ENGLISH: Very quickly.

(UNKNOWN): Means testing. I wasn't sure whether you would continue to adjust benefits as income rises. It's a little bit like, you know, losing money on each unit and trying to make it up on volume if you do it that way, and that, I think, is one of the problems. If you didn't do that, then you would, in fact, be officially means testing by any definition.

ENGLISH: Thank you.

THOMAS: I thank the gentleman.

The gentleman from Tennessee, Mr. Tanner, wish to inquire?

TANNER: Thank you very much, Mr. Chairman.

And I want to thank the panel. This has been a very interesting exchange, and I want to agree with Mr. English. The diversity and so on has been refreshing.

I think we've covered Social Security to the extent that we need to. I want to change the subject, if I may, because this is a very interesting academic exercise, but, in my view, Social Security is a five-mile-an-hour tropical breeze, and there is a hurricane two miles offshore, and we're in a beach house, and that is the budget deficit and the trade deficit.

Since we started this hearing, by my figures, in your name and mine, this country has borrowed from foreign sources $191+ million just since we started this hearing. We are borrowing over $1 billion a day and have been with no end in sight. Under anybody's scenario, the best the administration can offer is to cut the deficit in half in five years, and, unless one has the ability to repeal the laws of arithmetic, I don't know how that's going to happen with the budget not including expenses that we know we're going to incur.

So this is a very interesting academic exercise about what will happen in 2075. The problem is the country's going to financially collapse long before then, if one believes what the director or the comptroller general said, David Walker, that if we make the tax cuts permanent, as some in this body want to do and as some of your gentleman have suggested we ought to do as public policy, and do nothing else, by 2040, under their calculations, every dime that comes to the United States Treasury will be going to pay interest on the national debt. Of course, we all know that the country will financially collapse long before that occurs.

Now the one thing I want to say: Does anyone believe seriously that we can have a strong Social Security dollar and a nonexistent or weak U.S. Treasury dollar? No one would make that argument, yet that is exactly, in my judgment, where we are headed.

TANNER: Just in the last 48 months, we have transferred $50 billion a year out of the tax base to interest, 84 percent of that $50 billion going overseas because foreigners have financed 84 percent of our borrowing in terms of real money in the last 48 months. No one, I don't think, any economist would seriously argue that this is a sustainable course of action for this country to take.

And so I would simply like to ask: do you or do you not agree with David Walker's assessment of our current budget situation? And do you or do you not agree that one can never have a strong Social Security system when the underlying U.S. Treasury is broke or nonexistent?

Thank you very much, Mr. Chairman. And I'd be interested as to anyone who wants to respond.

FURMAN: I think that's a very good question. And we have a very large budget deficit today — $412 billion last year, the largest on record in dollar terms. And we have a projected very large deficit in the future — $43 trillion, according to GAO.

I think we need to be addressing both of those.

Now first of all, some Social Security plans would reduce the deficit in 2075 and increase it enormously today. I think that's the wrong way to go.

I think it's also important to understand where these deficits come from. The deficit last year didn't come from Social

Security. Social Security, in fact, ran a significant surplus.

As we look forward over the next 75 years, of the $43 trillion we heard about before, $12 trillion were the tax cuts that were passed, assuming they're extended; $9 trillion was the prescription drug bill. Half of our long-term deficit was passed and signed into law in the last five years.

Social Security is a trivial portion of it.

Now addressing Social Security could help. And I think one should do that. But you shouldn't fool yourself into thinking that that's the main source of the problem or the main way to get out of it.

SCHIEBER: The idea that Social Security ran a surplus last year is classic Enron accounting. The actuaries calculate a number each year. They estimate what the total accrued liability is under the system.

If we just shut the system today and paid off the liabilities that we owe ourselves, last year it was around $13.5 trillion; the most recent calculation, around $14.5 trillion. We earned $1 trillion worth of benefits that we didn't...

FURMAN: Those are over...

(CROSSTALK)

SCHIEBER: Those are 75-year numbers...

FURMAN: Because, I'm sorry, that doesn't make any sense for a government program...

SCHIEBER: It doesn't make any sense...

THOMAS: Can we have one witness speak at a time? And I believe...

SCHIEBER: It doesn't make any sense if we don't want to look at what we're doing to ourselves. We are running up massive bills that our children simply will not be able to pay. And we need to address this problem. And we need to address it right now.

FURMAN: I would agree with that, but the tax cuts...

THOMAS: Time has expired. Does anyone else want to respond?

(UNKNOWN): Just very quickly, Mr. Chairman. I couldn't agree more that we have a problem with the size of government spending in this country. The problem is not the question of whether or not we borrow or whether or not we tax in order to fill that spending, the problem is the spending and the Congress' inability to get a rein on spending, which includes mandatory entitlement spending, including Social Security, Medicare and Medicaid.

If you can't get a handle on those programs in the future, the amount of borrowing or the amount of taxes necessary to pay all those benefits are going to cripple the economy.

THOMAS: We may have to shift to written statements or, if you guys are clever enough, when someone else asks a question, you can work your answer in on the next round.

I would only respond, Dr. Furman, that when you talked about how much the tax cuts were going to be, you used the phrase, "if they're made permanent," which clearly allowed you to extrapolate into the future. But then when you talked about a surplus for Social Security, had you said, "if they're made permanent," since we know they are permanent, you have to extrapolate into the future. And I believe that was the point that was being made.

FURMAN: I actually used the...

THOMAS: ... very short-term surplus.

FURMAN: I used the same assumption that the deficit and Social Security, under current law, is precisely to zero trillion dollars because benefits are reduced automatically in 2041. I was assuming that we continue to pay benefits at the current level in calculating that, in exactly the same way I was doing for the tax cut.

THOMAS: And I'm sure colleagues on this side of the aisle will agree with you in terms of the benefit cuts that are supposed to take place in 2041, just as they're willing to support modest, understandable and controllable adjustments beginning today.

The gentleman from Illinois, Mr. Weller, wish to inquire?

WELLER: Thank you, Mr. Chairman. And I want to express my gratitude for the patience of our panel, as this has been a long but important hearing.

And I'd like to direct a couple of my questions to two individuals on the panel and I'd like to begin with Commissioner Apfel. What years were you the Social Security commissioner?

APFEL: 1997 to 2001.

WELLER: OK, from 1997 to 2001, so President Clinton was president during that time. Correct?

APFEL: Yes.

WELLER: Because there's a lack of Democrat ideas when it comes to fixing Social Security for the long term, I thought I'd discuss the one Democrat idea that's been on the table for a long time. And you probably recall President Clinton's Save Social Security First State of the Union speech. It got great applause, both sides of the aisle. We all thought it was great.

And President Clinton, at that time, proposed investing the Social Security in the stock market at that time. Were you Social Security commissioner at that time?

APFEL: Yes, I was.

WELLER: So was President's Clinton's proposal your idea?

APFEL: I was involved in discussions in the White House about it. I supported it. What the president said at that point in time, when we had large budget surpluses growing, was, "Let's use those budget surpluses to save Social Security first," I believe a courageous...

WELLER: Now did President Clinton propose using payroll taxes to be invested in the stock market? Or did he propose general revenue funds?

APFEL: What the president proposed is that some, about 15 percent of the Social Security surpluses, which would be payroll tax surpluses, would be invested to get a slightly, modestly higher rate of return. That is a debatable issue, as to how much of a rate of — increased rate of return.

WELLER: And as one of the architects of President Clinton's plan to invest Social Security payroll taxes in the stock market, what was your projected growth that you anticipated for those funds when invested in the stock market?

APFEL: At the time, the investing inequities, if I'm remembering correctly, would resolve about a third of the long-term shortfall in Social Security through some collective investments.

WELLER: So what was the rate of growth? Did you have a projected percent growth? You know, our thrift savings plan that almost every member of Congress has, as well as our mailman, the thrift savings plan stock fund has about an eight percent rate of growth over the last 10 years. The bond fund has about a four percent rate of growth. That's what's been demonstrated.

APFEL: Those were projections from the actuaries. I would have to get back to you on the specifics. I'd say that since that time, there's been quite a bit of debate about what those rate of returns would be.

The fundamental difference between individual accounts and collective investment is the individual risk that's involved. If we have collective investment, if there is a decline in the markets, then there is, over time, a source of pooled resource to be able to use to provide...

WELLER: Commissioner, you stated that you endorsed, as one of the architects of President Clinton's plan, to invest in the stock market, Social Security trust fund dollars in the stock market. And today, you stand by that endorsement. You still believe that that is a good idea?

APFEL: I think that it's one of the options that should be seriously considered. I still generally think that it's a good thing to explore.

WELLER: OK. Thank you.

THOMAS: Will the gentleman yield on that?

WELLER: Sure, I'd be happy to yield, Mr. Chairman.

THOMAS: Was that structure mandatory or voluntary?

APFEL: Pardon me?

THOMAS: Was it mandatory or voluntary?

APFEL: It was centrally invested funds by...

THOMAS: So individuals didn't have a choice as to whether or not they were going to do the risky scheme of playing the stock market?

APFEL: What the president proposed were voluntary add-on individual savings accounts, coupled with...

THOMAS: No, no, no, the investment in the stock market. I was focusing on the investment in the stock market.

(CROSSTALK)

WELLER: Mr. Furman, I'm not speaking with you; I had Commissioner Apfel.

THOMAS: Thank the gentleman for yielding.

WELLER: Thank you, Mr. Chairman. And reclaiming my time, as I understand it, again, President Clinton proposed, as you say, collective — if I could use that term — investment of Social Security trust fund dollars in the stock market at that time.

And Commissioner, you indicated you still feel that that's an idea that we should look at. Is that correct? Yes or no?

APFEL: Yes. If we look at state and local pension funds, we see in state and local pension funds not an insignificant share that is in diversified portfolios. And one of the things that I think is worth exploring is whether to do the same thing with Social Security.

The thing, I think, that's new from my perspective over the last several years is the question about the rates of return has received an awful lot more attention, with a lot of concern that those rates of return...

WELLER: And Commissioner, I would note, looking on the — the best way to look at projected rate of returns is to look at a history. And over the last 10 years, I know in my own personal thrift savings plan — and my money's in the S&P 500 plan, the C Plan — that's grown at a rate of eight percent on average over the last 10 years. The bond funds have grown at an average rate of four percent. And outside economists tell us that the rate of return on Social Security is about eight-tenths of one percent.

APFEL: It's really...

WELLER: So as you noted when you proposed investing in the stock fund as the Social Security commissioner, those numbers have panned out.

FURMAN: The reason every Fidelity fund says...

(CROSSTALK)

WELLER: Mr. Furman? Mr. Furman? Mr. Furman, I did not ask for your opinion.

APFEL: Could I have my last response to that? Because I think that clearly, trying to have Social Security...

THOMAS: Gentleman from Illinois controls the time and he gets to say if he wants you to respond.

WELLER: Thank you, Mr. Chairman. I'll allow the commissioner to — I realize my time is expired.

But Commissioner, please?

APFEL: Thank you, sir.

Trying to compare rates of return in a social insurance system and an investment system is apples to oranges. Trying to determine how an intergenerationally financed system that pools resources could compare if the money was available

to be used in investments is comparing apples to oranges, not an appropriate comparison.

WELLER: Thank you, Mr. Chairman.

THOMAS: Thank the gentleman.

Go back to Adam Smith and the marketplace and think that one over.

Gentleman from Texas, wish to inquire?

DOGGETT (?): Thank you, Mr. Chairman. And thank you to the witnesses. But it's my belief that Americans ought not to be misled into viewing this hearing as representing some type of academic discourse about the best ways to preserve Social Security for future generations, nor should anyone be deluded into the notion that those who are committed to replacing Social Security with a risky privatization plan are down and out in the polls and that they've given up on that approach.

Anyone who believes, as I do, that we need to preserve and strengthen Social Security and who underestimates our chairman, Mr. Thomas and who underestimates the ideological fervor behind this privatization movement, anyone does that at their peril and at the great risk to anyone who depends on a Social Security check. One Capitol Hill newspaper has already reported that a privatization plan will be before the House in July. And only a week ago, Chairman Thomas announced that less than a month from this very moment, he would probably have a bill before us — quote — "to fix Social Security for all time."

Well, we've got some steers down in Texas that have been fixed for all time. And my concern is that the same thing is about to happen to Social Security.

There is no doubt that Social Security faces a clear and present danger, that Social Security is in crisis. And it is a crisis that results from those who control decision-making here in Washington and who zealously believe that community solutions, as opposed to individual, independent plans are just somehow inherently flawed.

They think that every initiative that has "public" in front of it — as in public education — or "social" in the title — such as Social Security — needs to be eliminated in the form we have known them in the past. They think that this great country can rely on the principle of every person for themselves and if you fall behind, well you just need to tighten your belt and get by on your own.

If they can destroy a community solution that is as effective and successful as Social Security has been for this last many decades, if they think they can destroy the belief in government as a source of a solution to any social problem, today is merely the prelude to a preconceived conclusion. What is driving this privatization effort has very little to do with concerns over solvency and everything to do with the demands of ideology.

With all due respect to the testimony of all of the witnesses here, whether I agree with you or not, the most remarkable aspect of this hearing is not who is sitting at this witness table, but who is not there. There is a giant gap in that witness table, as crowded as you are around it. And it's a gap unfilled by anyone who is here testifying for the Bush Administration.

There is no administration spokesperson to answer questions about specific legislation of a president who insists that privatization is non-negotiable, that it is the lynchpin of his Social Security plan. Perhaps that's because the last administration spokesperson who did sit where you are, who appeared here, Treasury Secretary Snow, admitted that this administration plans to raid the Social Security trust fund for every dollar in it — $2.6 trillion — over the next decade and that President Bush will spend every one of those $2.6 trillion for non-Social Security purposes.

I have a question for Mr. Apfel, but Mr. Emanuel says he needs to leave and I yield a minute to him. I'd like to come back if I have any more time.

EMANUEL: I'd like to thank my colleague from Texas.

It is — we'll pass on to former President Clinton all the warm comments that he has received from the other side of the aisle. The fact that — I'm sure you can all sign a card. I'll pass it along.

Because when he introduced his '93 budget, it did not receive a single vote from the Republicans, that put us on an economic plan for reducing the deficit. We added 12 years to the life of the Social Security trust fund, which was the first step to saving Social Security.

I agree with Mr. Lindsey. The best thing you can do for Social Security is to have a growing economy. And that's exactly what happened in 1993.

And so all of those who mentioned about Save Social Security First and took a stroll down memory lane, Social Security First was about not doing tax cuts. It was, in fact, about investing the surplus in Social Security and allowing, in fact, general investments by the Social Security Administration to get a slight better return and also allowing us to invest in Social Security and strengthen the nation's saving rates as well as the individual saving rates. And in fact, what has been done in the last five years is the reverse of Social Security First, which was a tax cut that ended up spending the surplus, plus whatever else we had in Social Security.

And so to all those who want to claim President Clinton's mantra, in fact, in the last four years, we've done everything opposite of what he suggested; that is, A, build a surplus, and, B, save Social Security first before you've done a tax cut that raided it. But I'm sure his heart will be warmed by the kind comments that were said here.

As somebody who participated in the administration, as also somebody who represents over 28,000 employees from United Airlines, they all enjoy the security that comes with Social Security after what happened to them.

Thank you very much to my colleague from Texas for yielding me the time.

THOMAS: The gentleman from Florida wish to inquire? And would he yield to the chairman?

SHAW (?): Yes, I would, Mr. Chairman.

THOMAS: Before my friend leaves, there was a different view on what happened. Because frankly, what happened was the Democrat majority, along with President Clinton, passed one of the highest tax increases in the history of the United States. And the American people elected a Republican Congress that didn't spend all that revenue that had been raised with that tax increase. And the surpluses began after the Congress became a Republican majority...

EMANUEL: Mr. Chairman? Mr. Chairman? Will you yield, please?

THOMAS: ... and not during the Democrat majority.

EMANUEL: Will you yield, Mr. Chairman?

THOMAS: That's the view from the Congress.

EMANUEL: Will you yield, Mr. Chairman?

THOMAS: It's the gentleman from Florida's time and he can yield if he so chooses.

SHAW (?): No, sir. I also want to remind our listeners that it was the tax on Social Security beneficiaries that was part of that '93 plan. So if you were receiving Social Security, in order to raise revenue, the president's plan was to tax Social Security proceeds. So they played a shell game.

I don't know where we came up with the "fixed steer" analogy from Texas, but on Social Security reform, the Democrats are truly shooting blanks.

I'd like to ask Mr. Apfel, during his tenure, haven't we seen a lot of expansion of disability claims that may be not meritorious? A lot of new characteristics? A lot of new ways in which parents can enter their children in SSI, based on a diagnosis that's loosely constructed, in order to gain family benefits?

APFEL: Generally, no. It's my belief the disability program — the United States, relative to most other international developed countries, has a relatively low disability population in terms of comparing our population to a lot of other countries. There were changes that were made for children that were made. Mr. McCrery was heavily involved; I was heavily involved in those during my tenure.

SHAW (?): You don't sense any fraud and abuse?

APFEL: Well, I'm sure that there has got to be — I do not think that this is a system, the disability system, that is rife with fraud and abuse. No, I do not.

Is there need for reexamination of disability definitions, given the changes that have taken place? Generally, yes.

I think this is a relatively — comparing us to so many other countries, we have a relatively lean and a very inexpensive

disability system. I would urge the committee to go very, very cautiously about major changes to the disability role.

SHAW (?): Mr. Pozen, I was humored by the ranking member's constant request of explaining why you've been listed as a Democrat. Well, I think it's because you're an endangered species.

(LAUGHTER)

You're one willing to step up and at least offer suggestions. So I applaud you for that.

POZEN: Thank you.

SHAW (?): I'd like to ask Mr. Furman, you've gone through great detail and I was very impressed by your thorough review of the system, your critique of the side accounts. You also stated a minute ago that in 2041, we can pay the benefits we're paying today. Is that your comment? Under the current system?

FURMAN: No, my comment was when you talk about there being a $4 trillion deficit or an $11 trillion deficit, you are assuming that current scheduled benefits are continued. If you did not, just look at the deficit under current law; there is no deficit at all because benefits are automatically reduced.

SHAW (?): Did you take a chance to look at any mechanism by which we can create solvency? Forget accounts. We don't go to accounts. What would they be?

FURMAN: There's a number of plans that are out there.

SHAW (?): Specific, yours. You've looked very thoroughly at the numbers. You must have crunched numbers.

FURMAN: Peter Diamond and Peter Orszag have a plan; former Social Security Commissioner Bob Ball has a plan. There's a number of plans.

SHAW (?): What would your thoughts be? Raise rates? Retirement age?

FURMAN: Let me say ?

SHAW (?): So I know academically how you came up with your numbers.

FURMAN: The analysis of the president's plan doesn't depend on any particular plan, but these other plans I refer to get sustainable solvency, one of them, which much, much smaller benefit reductions than what the president's plan would contemplate.

SHAW (?): But they are reductions?

FURMAN: Some of those plans have very moderate reductions.

SHAW (?): Moderate reductions.

FURMAN: Moderate...

SHAW (?): So it's all in the eye of the beholder. Our reductions, your reductions — in order to save it, you have to have reductions.

FURMAN: Once you add in the private accounts, you're talking about a 97 percent reduction.

SHAW (?): Forget the private accounts for a minute. Let's talk about the real system. We can academically debate private accounts. I support them. I think they're good. They should be part of the program.

FURMAN: I'd love...

SHAW (?): But ultimately, you still have to fix the program, the system. It's collapsing under its own weight. If we ignore the obvious, if we sit here and say, "It can fix itself. Let's just skip this can down the road."

I think all of our witnesses testified there's not enough money in the system.

FURMAN: Oh, I said...

SHAW (?): So all I'm looking for is some clear voice to come out of this room on either side of the aisle and say, "Here's how we fix the system." We'll take care of these new ideas possibly later. But how do we fix the system systemically?

FURMAN: If you would get the president to agree to only talk about private accounts in academic seminars, then I'd agree to sit down and talk to him about what to do about reforming it.

SHAW (?): But the only thing...

FURMAN: It's not an academic question.

SHAW (?): In defense of the president, if somebody tells me to bake a cake and says, "I'll give you every ingredient but six eggs," the cake won't take. So in respect to the president, I don't think you can discuss a plan without at least discussing every option.

I thought Senator Leahy was profound on Fox this weekend when asked the question. And he said, "Oh, the president, we've got to have everything on the table. Oh, but except, but except."

Well, I don't know how you do it if you don't at least have the academic exercise. We may be proven wrong. I welcome that debate. But to ignore it is a half-baked cake.

THOMAS: I thank the gentleman.

Does the gentleman from Wisconsin wish to inquire? And prior to inquiring, would he yield to the chair?

RYAN: I will.

THOMAS: I thank the gentleman.

On the subject of disability, there can be some examination of the program, but as far as the chair is concerned, there should be no discussion about the fact that once someone goes through the process of being determined disabled, they should not have to wait 24 months to go onto Medicare. The 24-month provision was put in by the former majority to save money.

That is not the way you should save money in this system. And I would hope there would be no disagreement that we would make that change as we look at other unfair structures that have been there for far too long.

Thank the gentleman for yielding.

RYAN: I thank the chairman.

Couple of points I want to make, then I want to ask a question of you, Mr. Furman.

Number one — and I just missed the last few go-arounds, so maybe this was covered — but no one is talking about undoing a Social Security safety net. No one is talking about not having a safety net.

One thing that has not been discussed here today is the issue of generational parents. And that's something that isn't discussed here.

Let me give you a case in point. Current seniors, my mother, she's 70 years old. She gets about a five percent rate of return on her payroll taxes that she paid, now in her retirement.

I at my age and most workers in my cohort are going to get about a one percent rate of return on our payroll taxes that we pay. My children — I have three young toddlers — right now, they're scheduled to get a negative one percent rate of return on their payroll taxes that they pay when they retire. That's assuming we can come up with the $4 trillion today we would need to set aside to pay them their promised benefits that we don't have the money for.

So if you do not use personal accounts as a part of the solution, then you're confining future generations for sure to get much worse benefits relative to today's seniors. Only through personal accounts can you achieve an equal measure of benefit under today's standards.

Now the word "privatization" has been used over and over and over. No one is talking about giving people some of their payroll taxes and going outside of Social Security and taking it to a stockbroker and wishing them good luck; have a nice day; hope you invest it well. That would be privatizing it.

No one is talking about that. What we're talking about is a system inside of Social Security, run by Social Security, overseen by Social Security, managed by Social Security, where workers would have a voluntary option of choosing a fund within the Social Security system, like we have with our thrift savings plan.

So we're not talking about going outside of the system.

The last point I want to make is in the form of a question to you, Mr. Furman, and that is I look at your testimony on page seven. You refer to explicit debt versus implicit debt. And you say that the borrowing to pay for personal accounts takes the form of explicit debt. Explicit debt are bonds that cannot be defaulted on and actually have to be paid; whereas, the current system of implicit debt, the total amount of implicit debt is based upon projections. And it's not legally binding.

So my question is this: if the rock-solid guarantee that we have that you refer to is an implicit debt that is not legally binding, yet if you're a worker and you choose a personal account, you go into a Treasury bond, that is explicit debt that they actually have to pay you your benefit, isn't it more of a solid guarantee that you're going to get your benefit if you choose a personal retirement account if it's just the form of a Treasury bond?

FURMAN: Two lessons. One is financial markets treat explicit debt very differently than implicit debt. Social Security is a $4 trillion implicit debt.

I have absolute faith that Congress is going to eliminate that entire implicit debt before it ever materializes.

RYAN: ... faith in Congress willing to do that, right?

FURMAN: I believe Congress will do that.

RYAN: So we have to hope Congress will do that, right?

FURMAN: I certainly hope Congress does that.

The second thing is private accounts is no more guarantees. The Supreme Court has said you can change the tax rate. You can tax withdrawals from the account. You can tax accumulations. You can change the offset. You can change the accumulation.

If you got into problems with solvency in a private account system, those private accounts could be reduced just as easily as the traditional...

RYAN: So you're saying we can't bind the hands of a future Congress, right?

FURMAN: That is correct. But what we can do is insulate people against market risk. The current benefit insulates them against market risk. An account doesn't. They're both subject to the same political risk; whether that's small or large, I leave it up to your judgment. But there is no difference in the two cases.

RYAN: Let me ask you this: since the current benefit is up to what a future Congress will do and we can't tie the hands of a future Congress, the benefit guarantee in the future for people is whatever Congress chooses to give it.

FURMAN: Congress has historically honored those commitments; in fact, has generally, in the past, had raised benefits over time.

RYAN: ... change benefits...

FURMAN: But that benefit is not subject to market risk.

(CROSSTALK)

Your account is subject to market risk. All the other risks, in terms of what Congress can do, you all could change the tax rate to 100 percent on our income and take all our income.

RYAN: Let me ask you this...

FURMAN: There's a tremendous number of risks out there. You can't get rid of all of them.

RYAN: My time's running out. You and I are about the same age and you and I are probably going to get a one percent rate of return, if all things go well and we can come up with the money to pay this unfunded liability.

If you were given the personal account option like the president's plan provides, what would you do? Would you take it?

FURMAN: It would make no financial sense for me to take it. I could do the same exact financial transaction right now by selling of the bonds in my portfolio.

RYAN: Do you have a 401(k) and a portfolio?

FURMAN: I have a portfolio and I have bonds in it. And I could sell them. The president's plan gives people the option of borrowing at a relatively unfavorable interest rate. I wouldn't recommend that anyone do that.

RYAN: So you would say, "I'm going to trust a future politician for my benefit rather than getting a bond in my account?"

FURMAN: That's not the way. The president's plan doesn't change that in any respect. It takes the benefit offset out of your existing benefit. It doesn't give you any more security in any meaningful political sense. And it gives you less security in a market sense.

RYAN: Mr. Schieber, do you want to respond?

SCHIEBER: If we're going to fix your — Mr. Ryan, if we're going to fix your benefit by somehow filling this $4 trillion hole in, your rate of return almost certainly has to fall because you're going to have to put more taxes in to deliver that benefit. And you can't only look at the benefit side of this program.

If you're going to be taking more money off of people's table, it's going to have as much of an economic effect as you are if you adjust their benefit.

RYAN: Thank you. My time is expired.

THOMAS: And I know a lot of you want to respond. Again, I can assure you written responses to those questions will be read by the committee. And the chair is tempted to ask the members of the panel which tenth are you in in Dr. Huber's structure based on some of the analysis of how you really wouldn't have to rely on Social Security and therefore it doesn't make any difference.

The gentleman from, by gosh, North Dakota?

POMEROY: Thank you, Mr. Chairman.

I admire Dr. Schieber very much, known him many years. I'd just like to take one slight issue with what you just said, that basically you either cut benefits and that hurts, or you do something else and it's going to hurt the same people.

One idea for filling part of the hole, for example, would be — we could reference back to the debate on the estate tax that my friend Mr. Hulshof and I had a few weeks ago.

We have an estate tax set at $6 million per couple, moving to $7 million per couple in the year 2009. That would eliminate the estate tax problems for 99.7 percent of the people in this country.

To dedicate the overage as a dedicated revenue stream into the Social Security trust fund, that would take care of, running the numbers, some substantial percentage of the shortfall, potentially roughly equivalent to the benefit cut proposed in this progressive indexing scheme.

So because 99.7 percent wouldn't have any estate tax, that's one form of contribution to the trust that really would not be reflected in reduced economic consequence to the individual recipient. But you know what? I want to get this down to brass tacks.

You can respond in writing. I just don't have — my time is going to go so short. I expect you will respond. You know, it's one thing for a Ph.D. Yale economist and a smart, albeit rightward leaning, economist type from Wisconsin to talk about how they'd make these funds work, and what the best investment strategies might be.

I'm thinking of how this all works for the average family on Social Security. In North Dakota the benefit is $834, average benefit. As I look at the risk on the private savings side, questions about pension, conversions of pensions to defined contribution plans, defined contribution plans that raise issues relative to whether people are participating, whether people are saving enough, whether they're investing wisely, whether they're managing the assets through the retirement years, managing their longevity risk — nothing but questions, nothing but risk.

It seems to me that an investment strategy that basically acknowledges the risk they already have on the private savings side and adds risk into the foundation of income in retirement, Social Security is a risk on risk investment proposition.

Now, people don't really manage risk portfolios in that fashion. You augment risk by less risk. And so risk on risk, at

the end of the day, I believe is going to really expose people. One in three we know depends upon that Social Security check for 90 percent or better of their income, two in three for most of their income.

Now, how much risk do you want to put into that foundation? To me, it just flies right in the face of economics. I thought it was very interesting when the secretary of labor was here. She denied having taken any action with the PBGC portfolio, but indeed, she voted and signed the minutes of a board motion that moved the equity position of PBGC from 30 percent down to 15 percent to 20 percent.

If you look at risk — I'm much more comfortable with risk in an aggregated class like a pension fund than one person with one account. How they do determines how they do.

And so I think that there's a little schizophrenia even within the administration. Equities are bad for defined benefit guarantee corporation, although the secretary of labor either didn't know or denied her action inappropriately, versus Social Security where risk is good, let's jump all over it.

I want to get to the benefit cut issue that was discussed earlier by Congressman McDermott. And I think this really gets to the nub of the question. I'd either ask Mr. Apfel or Dr. Furman to address this.

The bottom line, when we talk intergenerational fairness, it looks to me like the progressive indexing reduction reduces the Social Security benefit to a dimension that that benefit, even when added to private accounts, cannot produce an income replacement benefit that we presently enjoy under Social Security.

In other words, they come off — the future generation is going to get less by way of a retirement benefit, private account and Social Security, than what Social Security now provides. That certainly does not seem like intergenerational fairness to me. I'd like Apfel and Furman to address that.

APFEL: Briefly, it seems to me that if our goal is to replace somewhere around 70 percent of pre-retirement earnings, which seems to be about the minimum, that there ought to be a foundation that can be counted on. No matter what happens to individual investments, it ought to represent a significant piece of that.

Combining these two proposals as the president has — both the privatization and the reduction in the guaranteed benefit — coupled with the middle class benefit reduction that's taken place means that Social Security — that foundation is going to be replacing an infinitesimal share over time for a very large number of people, and growing over time.

I think that's just putting too much on savings for the future. That's putting individuals at risk over time if the foundation is going to become smaller and smaller and smaller.

And from what I've seen of the numbers, it doesn't seem to me that people will be living with more income. Not only will there be losers, for sure, but I think that it's likely there's going to be a lot of losers, potentially, compared to current law.

POMEROY: I thank the chair and yield back.

THOMAS: Thank you.

The gentleman from Texas, Mr. Brady, wish to inquire? And will the gentleman yield to the chair very briefly?

BRADY: I would yield, Mr. Chairman.

THOMAS: In 1983 we extended the age of retirement. Would you define that as a benefit cut?

APFEL: It wasn't actually — Mr. Chairman, I was heavily involved with those discussions not as a member but as...

THOMAS: It wasn't a benefit cut?

APFEL: It was a benefit reduction.

THOMAS: And what percentage of the population were affected by that benefit cut?

APFEL: At that point in — the people who were on the rolls, none. It was a...

THOMAS: No, no, no. The question you just responded to was a prospective one in terms of the future, not the current rolls. And I'm asking you about the change in age. Is it a benefit cut? The answer is yes. And how many did it affect? One hundred percent of the population.

All I'm doing that for is to understand, if we're going to argue on the point of no change in this structure, and that certain things are ruled off the table, by definition, you cannot reach an agreement which will address the problem in front of us. That would truly reduce this discussion to an academic exercise.

And one of the things we have as a responsibility is to answer real problems, not dance on the head of a pin.

Gentleman from Texas?

BRADY: Thank you, Mr. Chairman.

(UNKNOWN): Mr. Chairman, I just have a point of inquiry, Mr. Chairman. Point of inquiry. I mean...

THOMAS: Although that's not a recognizable motion, I'm certainly willing to recognize the gentleman.

(UNKNOWN): I thank the chairman. I enjoy my working relationship with the chairman. I do want to inquire in terms of — are we going to proceed the rest of the afternoon where you can do a counter rebut to every...

THOMAS: I tell the gentleman, if he noticed, I asked — I gave the time to the gentleman from Texas, and the gentleman from Texas yielded a portion of his time to me.

BRADY: And if I may reclaim my time...

(UNKNOWN): I thank the chairman for that clarification.

THOMAS: The gentleman from Texas?

BRADY: And I find those questions helpful, because it's important to know that at least we be consistent on what effects and options there are across the board for future retirees.

I have a district in East Texas perhaps a lot like America. It has some very wealthy neighborhoods. It has some very, very poor communities. Out of the 11 counties in my district, nine of them are heavily Democratic, some of them very strong in union areas.

I've done about 30 Social Security workshops. People are smart. They get this. They know there's a serious problem with Social Security. They know the trust fund is really a debt. They know we've been spending the money.

And I've noticed just in the last 2.5 months in our workshops, whereas I used to spend the whole time on the problem, how we got there, what the future looks like, things like that, now they go right to the solutions. They want to know the ideas. They want to know real solutions to this problem.

We're thankful that we've got models all around this that we can look at, not just the federal employee retirement system, but in Texas, the Galveston model. Work for 24 years, voted in by the workers themselves. They get about, on average, about twice their retirement paycheck as Social Security would have provided.

They have a disability program that would embarrass the Social Security system. And they've got a death benefit between $75,000 and $220,000, plus keeping the account with interest itself. So we've got some models to look at.

But my seniors, my workers, even our young people we talk to — they have an interest in personal accounts, and the questions — they normally come down to this.

You know, if we can make sure the workers can't touch that account, if we can make sure the government can't touch that account, and if we can find a good, responsible way to start those, they have a real, real interest in it, because the thought is putting real money in a real account, seeing it grow steadily over the years as it has in Galveston and other programs. They see that as one way of really addressing this.

So my question is to the panelists who see personal accounts as part of the long-term solution, dealing with the issue of pre-funding — and perhaps I could start with Mr. Lindsey. What ideas do you have for pre-funding these accounts, to start them in a way that we can afford them and to really move this forward?

LINDSEY: I think it's obviously the more you can — first of all, the question of pre-funding — and it gets to the discussion about ownership — I think that if one establishes personal accounts, it is more difficult for the Congress to spend the money.

Mr. Furman is technically correct that Congress can always change the rules on anything. But whereas this history

indicates that there has been no reluctance to spend the money when it's in the trust fund, I think in the case of IRAs or any other account or as the Thrift Savings Plan, the Congress has respected private ownership.

And I think that that would be one of the ways you would — a necessary condition for pre-funding the system would be to establish some kind of private claim that Congress would resist.

Pre-funding the system obviously increases the savings rate, obviously strengthens the economy, and it is one way that the government can use compound interest to help solve the problem.

As was pointed out earlier, President Clinton proposed using compound interest, investing Social Security trust funds in the market. The only question is can you protect it from being spent, and the reason for personal accounts is to prevent that money from being spent.

BRADY: Thank you.

(UNKNOWN): Congressman, if I might real quick...

BRADY: Yes, sir.

(UNKNOWN): ... just on that point, today we released a letter from 450 major U.S. economists, including five Nobel laureates, saying that the only way to really fix Social Security is to include personal accounts as part of that. That's the only way to really build ownership rights, and the only way to deal with the funding issue in this is to include individual accounts.

So this is certainly among economists the respected way of achieving this.

BRADY: Well, perhaps, Mr. Chairman, I could ask for a response by letter for any members who want to respond to that, and any ideas on how...

THOMAS: Without objection.

BRADY: ... to finance the pre-funding to responsibly make that work. And I yield back, Mr. Chairman. Thank you.

THOMAS: Thank the gentleman.

Gentleman from Colorado, Mr. Beauprez, wish to inquire?

BEAUPREZ: I do, Mr. Chairman, and thank you very much.

First of all, Commissioner Apfel, I think an observation is necessary, not really a question, but I was intrigued by your dialogue with the gentleman from Illinois earlier, and specifically the part about the utilization of market forces, compound interest, as Mr. Lindsey just referred to, as a solution kicked around back during the Clinton administration.

My observation, quite frankly, sir, is that the major thing that has changed since then is that that was President Clinton and now it's President Bush talking about using those same market forces as perhaps a portion of the solution to our Social Security challenge. I think that's the most significant change that has occurred.

A second observation, if I might — and, Mr. Furman, I find this one just striking, and I'm going to refer to Mr. Schieber's chart once again, the oft-cited chart today. On your page 20 of your testimony, it's fairly clear, I guess surprising to none of us, that the working poor are the ones who have the fewest options to provide for their retirement benefits.

BEAUPREZ: And yet, Dr. Furman — and I'm not going to ask you a question, sir, so you don't have to reach for the button — the observation is this, that the very portfolio which — and I was going to ask you this question, but you've already given us the answer that you I assume proudly have, and I assume to take advantage of the market, and I assume to build retirement benefits and wealth for yourself, you want to deny to the working poor when we have in front of us at least a concept to do just that, to give these people, people like I and my parents were for a good long part of our life, frankly, an opportunity at ownership in the United States of America that formerly, and currently, tragically, for mostly just the wealthy, has been available, you're going to deny that to the working poor who have already fewer options.

I find that very inconsistent with the logic that usually prevails from that side of the aisle.

My third observation, if I might, is that when I was an employer, and I proudly was until I came to this Congress just a few years ago, one of the days of great celebration was when we instituted 401(k)s and deferred compensation plans that took advantage, Mr. Lindsey, of compound interest, rate of return, market ownership, those things that we're talking about

here today.

And I have no doubt why they were celebrating that. They understood that. So here's my question, and I don't think we've really gone this direction, although, Mr. Lindsey, you did just hint at it.

If we can create these things called personal accounts that we have a concept out there of doing, and over a course of years there is another class of investors out there, and thus a pool of investment capital — something I as a banker always thought was one of the most limiting things to economic expansion. That creates jobs that the working poor say they always need, and I agree — access to capital.

Do we not have the potential, Mr. Lindsey, of providing enormous economic stimulus through this newfound investment capital source?

LINDSEY: Absolutely. In fact, I think one of the points that actually Mr. Pomeroy made earlier was the need that we have in this country to save more and to be able to invest more. That's going to be the ultimate foundation here.

I would commend the personal accounts, A, as a way of restraining spending, and B, in my testimony, what I recommended was a way of increasing the saving rate using Social Security reform as an option. You're right on.

BEAUPREZ: I thank the gentleman. A further observation, and if someone wants to opine in the time I have remaining, I would invite that. But we have all, all of us, I'm sure, on this committee, probably every member of Congress, been counseled, lobbied, by all kinds of constituent groups.

One thing that is absolutely obvious to me is that the two groups that came to me and said I'd just as soon you not change anything were the folks from my state, Colorado, with PERA, the Public Employees Retirement Account, and the federal employees who had the Thrift Savings Plan.

I said why is that? Because I've got a personal account, I can direct that money, and it's working. Anybody want to offer an opinion contrary to that, why that is a bad idea? Sir?

(UNKNOWN): I think the federal employees that have that also have Social Security. It's one of the great things about the system, which is...

BEAUPREZ: And are we not talking about that same possibility?

(UNKNOWN): Well, I...

BEAUPREZ: Some of both, and yet...

(UNKNOWN): It seems to me that...

BEAUPREZ: ... I've heard resoundingly today that we want to deny that choice to a substantial part of American working people, and I, for the life of me, don't get it.

I yield back, Mr. Chairman.

THOMAS: Thank the gentleman.

The gentleman from California, Mr. Thompson, wish to inquire?

THOMPSON: Thank you, Mr. Chairman. Appreciate the opportunity to talk to these witnesses today.

I just want to commend my colleague from Tennessee, Mr. Tanner, who's already left us for bringing up the issue of the impossibility of having a strong Social Security dollar and a weak U.S. dollar. I think he was right on.

And the fact that we have this tremendous debt, $7.7 trillion today, a $425 billion deficit, and that doesn't even take into account the $160 billion that was borrowed from Social Security to make ends meet this year, and now, this discussion about Social Security — and you can call it whatever you want, privatization or personal accounts — and the fact that this adds an additional $2 trillion to that debt I think puts us in a pretty tough spot.

And we've heard from some today that the Social Security is a bad deal and that private accounts will make things fair. I don't think it's fair that we continue to pass bills that we don't pay for, that we talk about proposals that are going to cut benefits to workers, and that we compile a mountain of additional debt for future generations.

And Mr. Tanner spoke clearly about this, but I think it's important to note that in this committee room we saw — and

I'll pass this out for you if you'd like to see it — this was from the administration, that if things continue to go the way they're going, that by 2040 we will take in as many federal dollars as it will take to pay the interest on our national debt.

So if we continue to do things the way we're doing in this regard, we're going to cut everything, Social Security, Medicare, Medicaid, all other programs, and I think that's important to this discussion.

Mr. Pozen, if you would be so kind to clear something up for me, the president in April made mention of there being no Social Security trust fund. I don't remember exactly what he said, but basically there's no money there, there's no trust fund, it's a bunch of IOUs.

And I think this caused a great deal of concern, and I think it derailed the important debate that we should be having. This trust fund — is it fair? Is there money?

POZEN: Well, we do have a trust fund, but some people are under the view that the surpluses have been building up and are invested in that trust fund. That, unfortunately, hasn't been the case...

THOMPSON: Not what view people have, but is there a trust fund, and is it backed up by the full faith...

POZEN: There is a trust fund, but it doesn't have the surpluses invested. Instead it has special issue Treasury bonds, which are good money. They will be redeemed. But Congress will have to appropriate the money or borrow the money to fund them. So I think it's a bit of a confusing issue.

THOMPSON: The same if Congress would have...

POZEN: So we should not say that the trust fund bonds will be dishonored. They will be honored.

THOMPSON: Thank you. Reclaiming my time. The same action that Congress would have to take to make good on any notes that we have — debt to foreign countries...

POZEN: Yes, but this is $4 trillion debt, roughly equal to the amount of publicly held Treasury debt that's built up over the last 30 years, so it's a big number.

THOMAS: OK. Thank you. Mr. Furman, in some of your work you've suggested that in analyzing this progressive index plan that medium wage income folks, $36,500, will see a benefit cut of about 28 percent. Is that correct?

FURMAN: In fact, that number is based on the actuaries' office.

THOMPSON: Well, this is particularly interesting to me, because the average median income in the seven counties in my district is $36,499. And Social Security tells me that the average person in my district gets a monthly check of $936.

And I think it's important to note that, while we talk about a percentage here and a percentage there, that this means that the average benefactor in my district making $936 a month is going to see a reduction down to about $673 a month. So that's a $260 cut that they're going to receive.

And I think that's real money, and I think the real dollars mean something to the people who depend upon Social Security to make ends meet at home.

(UNKNOWN): Excuse me, Mr. Thompson, but I think you're just applying a percentage...

THOMPSON: No, I've got a limited amount of time. I'm sorry.

And, Mr. Apfel, to explore this just a little bit more, in your testimony you said that workers making about $60,000 will see about a 90 percent cut in their Social Security?

APFEL: That's the defined benefit combining both the private accounts, the reduction in the Social Security benefit, and the middle income reduction through the sliding scale system.

THOMPSON: So working on the same information that I got from the Social Security Administration, folks who make $60,000 a year in my district are going to see a cut of $1,750 a month from their monthly check.

And I just the it's important to put numbers with that, because this is critical for the well-being of folks who depend on this guaranteed benefit, whether or not they have add-on benefits, private accounts, other investments, this guaranteed benefit component of whatever their portfolio may be. Thank you.

THOMAS: The gentlewoman from Pennsylvania wish to inquire, and prior...

HART: I do, Mr. Chairman.

THOMAS: ... to that would the gentlewoman yield to the chair?

HART: I certainly will, Mr. Chairman.

THOMAS: I tell the gentleman from California if he's concerned about those numbers and wants to sit down and work with the chairman to make sure that any structure we create doesn't at all entertain those kinds of numbers, the chair is very excited to do that, as long as the gentleman from California doesn't tell me what I have to not be able to think while we're sitting down and discussing, and as long as the gentleman from California doesn't tell me what I can't put on the table.

I'd love to sit down with the gentleman and make sure that the gentleman's concerns are completely alleviated as we address the shortfall in Social Security. And I don't know whether the ground rules that I just offered you would be acceptable.

THOMPSON: You wouldn't be able to put any wine from other states or other countries on the table.

THOMAS: It's understood that if two Californians are going to noodle over a program, it will be preferably wine from your district. We make wine in my district, but I don't have a place called Napa in my district.

(LAUGHTER)

(UNKNOWN): I'll bring the wine.

THOMAS: I'll bring the ideas.

(LAUGHTER)

The gentlewoman from Pennsylvania? Thank you for your...

HART: Thank you, Mr. Chairman. As long as he doesn't bring the W-H-I-N-E, I'd join you.

I would like to give Mr. Pozen an opportunity, if he can do it in 15 seconds, to finish responding to Mr. Thompson.

POZEN: Yes. I think there would be no reduction in benefit levels from today. They would all grow. Every one of them would grow, and the purchasing power would grow, so it would grow in real terms and in nominal terms.

HART: Thank you. I actually want to take off on some of the subject matter that Mr. Beauprez started with, but first I want to reemphasize something that I think we're not keeping at the front of our minds that I think is important, and that is that when Social Security was set up, there were gobs of workings working for every person who was retired and receiving Social Security benefits.

And those who don't see some urgency in us looking at this program and restructuring this program now I think are ignoring the fact that the demographics have changed so drastically that we now only have 3.3 workers working for every person who's receiving Social Security benefits.

That in itself is a problem. But don't forget that these people who are receiving these benefits are going to receiving them for a much longer period of time. There is huge stress on the system, and it's just going to grow.

Birth rates are down. Within the next 20 years or so there will only be two people working for every person on Social Security. We're going to get to the point where we can't even operate a pay-as-you-go system very quickly, very quickly.

Now, I understand that people in the income bracket of those here at the table and probably the members are not going to be terribly affected by changes in Social Security. We are not going to be dependent upon Social Security benefits for our retirement.

Let me tell you, most of the people in my district are, and I've spent a lot of time out there listening to them, and talking with them and listening to their ideas about this, and I can tell you that the people who seem to be the most interested in this are the people who are going to be most affected.

I had a gentleman stand up at a meeting not too long ago. He probably makes about $35,000 a year, and he said to me why can't I invest more than 4 percent myself. People are a lot more sophisticated today than they were in 1935 and 1950 as far as investments.

And I think some of the panelists have actually been quite disrespectful to the American people when they suggest that these people are just going to starve if we give them the opportunity to invest some money. For god's sake, if they made enough money to set aside to invest, they would love to.

And that's why this gentleman and many others have come up to me and asked for us to make sure we give them an opportunity to actually receive a little more bang for that buck.

Twelve point four percent is a lot of money. I can't remember which witness, but one of you said that if 12.4 percent were invested out of your paycheck in a retirement plan, that alone could pay your retirement benefit. That might have been Mr. Tanner. I'm not sure. But one of you said something to that effect in your testimony.

And I think that's an important point to make. The question that I'd like to ask is — mostly I want to start with Mr. Pozen, because I think you worked a little bit in the investment field. I would expect that most of your clients or your company's clients are not folks that I'm talking about.

POZEN: Well, I think most of the low-wage workers, unfortunately, don't have enough to invest.

HART: Right. I've been supportive of personal retirement accounts, and they are personal retirement accounts because we're not handing the money over so that, as Harry Reid said, they can take it and lose it in Vegas. This is a very carefully invested account.

Mr. Chairman, did you use my time?

THOMAS: The chair is watching the time, and the gentlewoman hasn't been indicated. The chairman hasn't told the gentlewoman her time has expired.

HART: Well, thank you, Mr. Chairman.

THOMAS: However...

HART: My quick question, which I'll ask for a very quick answer, is does it make sense, in your view, that we allow people to get a piece of the pie who currently don't have enough extra money to invest?

POZEN: The answer is yes, if we can get them in a balanced account with a long-term investing program with good diversification.

THOMAS: There you go. He saved you two minutes.

The gentleman from Indiana wish to inquire?

CHOCOLA: Yes, Mr. Chairman. Thank you.

Thank you all for being here. Thanks for your patience.

A little later today, I hope to get on an airplane and fly back home to Indiana, and, tomorrow morning, I hope to be able to take my 14-year-old son to school to eighth grade. He retires maybe in 2052 when, I think, any projection would say the trust fund is exhausted.

He's actually interested in this idea, and so I look forward tomorrow morning when I take him to school to kind of share with him all of your ideas on how we're going to solve this problem for him and all his classmates.

As I go across the panel, I think I have a pretty good idea of what I can tell him.

Commissioner Apfel, I think I can tell him what at least you used to think when you were a commissioner. I'm not sure I can tell him what you think today.

But, Dr. Furman, I really am struggling on what to tell him you think the solution is. I can tell him what you're against, but I want to be able to share with him what you're for. Can you help me out?

FURMAN: Sure. I think one idea is something we heard about before, which is to take the revenue from the reformed estate tax, raise the exemption to $7 million, get almost everyone off of the estate tax, and the remainder dedicate to Social Security. That would be a step we could move forward on. I would rather do that than cut benefits of the same magnitude that has been proposed by the president for the middle class.

CHOCOLA: So you think we should not repeal the estate tax for the small business owners.

But let me just ask you. You earlier referred to the Simon (inaudible) Plan, I think. Is that a plan that you think is a viable potential solution?

FURMAN: I think that's certainly an option that this committee should consider. In fact, it's the only plan the chief actuary has ever scored that gets sustainable solvency without general revenue transfer.

CHOCOLA: Doesn't that plan increase taxes by increasing the taxable earnings base, increasing payroll taxes, and imposing an additional tax on all income above the taxable earnings base? So is that essentially the solution you think I ought to suggest to my son, is that we raise taxes?

FURMAN: We have a $4 trillion deficit here. Every dollar that we can get on the revenue side is $1 less of benefit reduction. If your plan is $4 trillion of benefit reductions, that will solve the problem, and that's a perfectly reasonable plan.

If you think that's too much in the way of benefit reductions, then you need additional revenue. Every dollar of revenue is $1 less of benefit reduction. So, unless you're willing to get that revenue, you have to be willing to accept the responsibility for proposing those benefit cuts.

CHOCOLA: Let me ask Dr. Hunter. I think a long time ago, in your opening statement, you said something to the effect that transition costs were not new or additional debt. Could you expand on that a little bit?

HUNTER: Every time payroll taxes come in the door today, they are, in effect, borrowed and spent, so it's been characterized as an implicit debt, but it's a debt nevertheless. It's a debt obligation of the federal government.

If, rather than spending that money, we invest it or allowed workers to invest it in a personal account, that's $1 less that the government is borrowing. So every dollar that goes into personal accounts is actually a reduction in debt.

Now that does create a cash flow crunch. So, if the government turns around and borrows a new dollar to alleviate the cash flow crunch, it hasn't borrowed an additional dollar. It's simply refinanced the old debt, and that is a classic corporate workout. You refinance the debt to free up cash, and then it gives you time to restructure, and what you're talking about with personal accounts is restructuring. It creates larger profits, more productive outcomes, and it allows the personal accounts to give higher benefits.

It's not rocket science. It's not voodoo. It's not magic. We do it all the time in the corporate world. People do it all the time with their homes. It's very straightforward.

CHOCOLA: One other thing, I think my son and many others struggle with is that we debate these particular ideas and not a package of good ideas, and I think, ultimately, the solution is going to have to be a package of good ideas.

Mr. Pozen, I think I've heard you talk about that. Could you just comment on that?

POZEN: I think this has to be a package, If we just have benefit constraints, which I think we need, if we have some new revenue, we have to provide some what I call sweeteners, some positive aspect to the package, so that voters will feel good and that we will also enhance the retirement income through other aspects, whether it be expanding the Roth IRA or the low income tax credit. So I think we definitely have to think of a package.

CHOCOLA: So it's somewhat misleading to be only isolating our comments and criticisms on one particular idea at a time.

POZEN: Yes, I think that's unfortunate. I think we sometimes take one particular idea and push it to the limit, when we're really realistically talking about a combination of ideas.

CHOCOLA: Yes, sir?

SCHIEBER: I've got a list of about 12 or more proposals in the back of my testimony, some of which have not really been discussed much at all, that I think would help restore solvency.

As I've indicated earlier, I think that we have a middle-aged retirement system, and I think, in terms of protecting people, in terms of replacement rate, in terms of giving them savings accounts, we can then go an extraordinary way if we recognize that and really build a base system, a protection for getting personal accounts that protect the people who are truly old, say, people with 12 or 15 years of life expectancy left, and give them a really good minimum benefit. We could do that in the current system. We could even wipe poverty out among the elderly.

Start with that as a base and then build upon that. Build the private savings part, if we want to build the private savings part. If some people want more middle-aged retirement, build up on that. That's the way I would build on the system.

But the one warning I would give — and I think there's a tendency in all politics to do it — is I don't believe there's a free lunch, and I'm afraid that both the trust fund accounting issue and the personal account issue at times gets off into the notion or the argument that, if somebody can move money around, it would be a free lunch.

If I take money from you and give it to me, I might be better off, but you're going to be worse off. There's no free lunch. Everything you do as our representatives budgetarily is taking from one person and giving to the other. Hopefully, you do it in a way in the long run that enhances the economy, but it's not free.

CHOCOLA: Thank you all.

I yield back, Mr. Chairman.

THOMAS: I thank the gentleman.

The chair knows the gentlewoman from Ohio wishes to inquire.

JONES: Thank you, Mr. Chairman.

And thank you to the witnesses for sitting so long.

Just in response to the free lunch, the poor people in this nation have been watching the rich people and those who are better off than them have free lunch for a lot of years, and they are worried about the only free lunch that they've relied on for years and years and years to be renovated, what I'm talking about, and it's not a free lunch.

I'm talking about Social Security, and when I go out — and I have done probably 10 or 12 sessions on Social Security — talking to the people of my congressional district, Social Security is something they earned, it's not a welfare benefit.

I think that we really need to be clear that the people who have paid into Social Security, have paid out of their check, they are expecting — they are expecting — that all of us regardless of our party are going to guarantee them that benefit that they've earned that President Roosevelt said it would not be someone that they would be administered on to, but it would be a perk that the money would be paid out to those who have earned it.

It is my belief that there is no way that we can continue all of the programming of Social Security disability, survivor benefit, retirement benefit, if we take money out of that pocket to create a private fund, and I have talked to lots of my constituents, and what I say to them in addition to that is, if your children are the age of my colleague over there, 14, talk to them about saving and creating their own retirement account and not relying upon Social Security.

We should be debating and discussing what are we going to do to increase the dollars from Social Security without causing those Social Security dollars to be indebted in order to create a private fund. It was never intended to be a private fund. It was never intended to be an individual account. It was not created like that. The people aren't expecting that from them. Those that are want to change a program that has been in place and has been good to seniors and administered for 1 percent of its cost for 75 or more years.

I want to go to Dr. Furman. There were several answers you wanted to give that you got cut off from. Please feel free to use a little bit of my time.

FURMAN: Oh, well, thank you very much for that.

If I went to my employees and told them I gave them a 401(k) plan, they'd all cheer. If I then told them, "Oh, but, by the way, I'm taking away your Social Security benefit," I think they'd be at the very least a little bit less excited than they were at first blush, and that is, in effect, the way the president's plan works.

There are ways to encourage families to save and moderate-income families to save, and I take a back seat to no one on that. We have the saver's credit right. It is the only tax incentive for moderate-income families to save. It expires in 2006.

That is the only tax thing passed in 2001 that the president's not proposed to extend. It's the only thing that helps moderate-income families save, and it's the only part of the tax cut that he wants to expire.

If you genuinely care about encouraging wealth creation for moderate-income families, there are a lot of ways to do

it that will genuinely make them more wealthy, not just cut your Social Security benefit and give you something else, and that would be an excellent step one could take.

JONES: And the difference between a thrift savings plan that I and my colleagues enjoy and federal employees enjoy and the proposal of a private account under Social Security is?

FURMAN: The difference is that somebody who retires with a thrift savings plan is going to get about half of the income they need in retirement from Social Security. That's the floor. It's a pretty minimal floor. Then on top of that, they're going to build using their 401(k)s and IRAs. I think more middle-income families do need to be able to build on that with 401(k)s and IRAs, and we should be able to help them to do that.

JONES: Well, the proposed private savings or private account that's being proposed under Social Security is not the same kind of account. It's going to be a deduction from the money.

FURMAN: The private plans don't say, "Here's your floor. We're building on top of it." They pull the rug out from under you. They subject you entirely to the market. That's a completely different thing from a 401(1)k plan. It has nothing do with wealth creation for a moderate-income family.

JONES: Lastly, deficit spending causes a dilemma for Social Security going out into the future. Is that correct?

FURMAN: I think that's exactly right. I mean, I agree with Gene. There's no such thing as a free lunch. Private accounts don't add money to Social Security. They take it out of it. They make what you need to do even larger than what you'd otherwise need to do.

JONES: Mr. Chairman, I'm giving you two seconds back. Thank you very much.

THOMAS: I thank the gentlewoman very much.

To conclude this particular hearing, it's a real pleasure for the chair to recognize the newest member, and I just want to assure you, Mr. Nunes, that every other member who is more senior to you warmly welcomes you to the committee because all of them were at one time in your position and they aren't anymore.

NUNES: Thank you.

THOMAS: The gentleman from California is recognized.

NUNES: Thank you, Mr. Chairman.

It's a pleasure to be here with you, my colleague from California, and to come into the committee for the first time on a very important debate called Social Security.

One of the advantages of going last, if there is an advantage, is that I've gotten to hear everyone's testimony, and I've been fortunate to hear Mr. Ryan about his plan. We've heard about Mr. Shaw's plan, Mr. Bush's plan, Mr. Thomas's plan. Several plans have been discussed.

Mr. Tanner pointed out that 450 economists, I think, today wrote a letter. Some of the nation's most important economists have said that we can't solve the Social Security crisis without some type of private account, and I think there's something to be said for that.

Referring back to the plans that have been discussed here by my colleagues up here on the Ways and Means Committee, I'd like a yes or no answer to this question, please, and we'll start with Mr. Lindsey. Did you hear any of the Democrats today offer a plan to save Social Security?

Mr. Lindsey?

THOMAS: The chair would hasten to explain the rules, and that is a member has every right to ask whatever question he so chooses. There is no obligation on the part of the witness to respond directly or otherwise.

NUNES: Thank you, Mr. Chairman.

THOMAS: There is an occasional free lunch.

NUNES: Mr. Pozen, I heard a witness say the (inaudible) Simon Plan, but I haven't yet heard a congressman say he was willing to propose that package of several tax increases and benefit constraints. It's an honest plan, but I haven't heard

a politician adopt it yet.

POZEN: No.

NUNES: Dr. Steuerle?

STEUERLE: Pass.

NUNES: Mr. Apfel?

APFEL: You asked whether elected officials have proposed plans?

NUNES: Any today during this hearing where we've been discussing what to do about the future of Social Security.

APFEL: I have not heard any plans that did not either increase borrowing dramatically to pay for Social Security or that solved the long-term solvency problem.

NUNES: But you have heard plans at least proposed by the Republican side of the aisle?

APFEL: That entailed drastic levels of new borrowing, that I think put Social Security benefits at risk.

NUNES: Well, that's fair enough that you have your points on the legislation, but at least there's been plans that have been offered for discussion, which, I think, is important to have all of you hear to analyze these plans and add to the discussion, and I want to thank all of you for dedicating a large portion of your life to trying to solve these problems that we face with Social Security, and I appreciate your opinion that there's problems with the plans on this side of the aisle. Well, it's better than having no plan, in my opinion.

Dr. Hunter?

HUNTER: I did not hear today, but I will tell you and the good news is that, especially before this last presidential election, I spent many hours on Capitol Hill talking to Democrats on this side and on the other side of the Capitol, and I will tell you that there are many who are very interested in personal accounts.

That's the reason I started off this morning by saying — it seems like a long time ago now — that, unfortunately, the political climate may not be right to do it all right now. That's the reason I encourage the committee to do what I think is perhaps possible, and, with the chairman's leadership, may actually happen because everyone — everyone in the country — realizes it's wrong to spend the surplus.

A good number of your colleagues on both sides of the aisle recognize that the best thing to do with those surpluses is to invest them. We can have an interesting debate on how they should be invested, but I think we have a real opportunity here, and you may not get very many Democrats right now, but I have confidence this is a long process and this is a beginning, and I commend the chairman for holding this hearing.

NUNES: Thank you, Doctor.

Dr. Furman?

FURMAN: It's been a long hearing, and I may have missed it, but I actually didn't hear anyone on the Republican side and this side embrace any specific steps to improve solvency in terms of reducing benefits or raising revenues. If you want to transfer general fund revenues to Social Security, you can have solvency, but I didn't hear any specific steps. In fact...

NUNES: But you heard the plans laid on the table.

FURMAN: The one specific step I heard from anyone here today that would improve our long-run fiscal outlook was Mr. Pomeroy on the estate tax proposal. I don't think I heard anything else that was, but you can correct me if I'm wrong.

Now I've heard a lot of things from the panel, Bob Pozen's ideas, what a lot of other people have. I didn't hear anyone up there embracing them. I only heard about ideas that would cost money, not save money.

NUNES: Thank you, Dr. Furman.

Mr. Tanner?

TANNER: I've heard several proposals on the Republican side, the proposal by Representative Johnson, by Mr. Ryan, by Mr. Shaw. All have been scored by the Social Security actuaries of restoring Social Security to permanent sustainable

solvency.

From the Democratic side, I did not hear any proposals at all for restoring solvency or fixing any of the other problems within Social Security, which is really a shame because this used to be a very bipartisan issue. Members like your former colleague Charlie Stenholm or members from the other body like Senator Robb, Senator Kerry, Senator Moynihan, all who supported individual accounts at one time or another, were very willing to take up Social Security reform in a bipartisan manner are gone.

It seems to be now simply a matter of misinformation and very partisan debate on that side of the aisle, and it's a shame, and I say this as someone who is not a Republican, you know, that I'm very disappointed.

NUNES: Thank you, Mr. Tanner.

Being my first day on the committee, Mr. Chairman, I am a little bit disappointed to hear none of my colleagues on the Democrat side of the aisle offer any alternative, and I hope that the next hearing that I get to sit in a full committee hearing that we will actually have some ideas by the Democrats that have been laid out on the table.

Until then, unfortunately, the Republicans have to debate amongst ourselves, as we have many different ideas in which we're using many of your ideas in many of the proposals that have been put upon the table, but it sure would be nice to have at least some input from the Democrat side of the aisle.

With that, Mr. Chairman, thank you for welcoming me to the committee.

THOMAS: The gentleman's time has expired.

The chair would hope that members are on this committee to, first of all, listen, even if they have an idea of how they might want to solve the problem, have the courtesy of listening to other ideas so that their ideas can be tested in the crucible of competition on ideas, i.e. which ones does the best with the least and all the other criteria that we use to judge between plans.

So the chair is not upset at this time that individual members haven't formed or are willing to come forward with a particular plan, but the chair is concerned a little bit about, having been on this committee and on the subcommittee at the time that we looked at it previously, more than 20 years ago, I can't recall at any time a member telling another member, "You cannot come to the table with a particular idea, or I won't come to the table to discuss ways in which you can deal with this issue."

That is new, that is shocking to this chairman, and it is sad that people would spend the time and energy to get elected to office, the time and energy to get on this committee and then say, "You have to drop your ideas before you get to hear mine." I have no problem with them bringing their ideas. I have a problem with people telling me I can't bring mine, and that's not to say that my idea may be an idea that's out there. I just don't think you should say that about any idea if you're here to try to solve problems for the American people.

I want to thank all of you. I think it's one of the best panels we've had in a long time, and I say that with no exception because I don't want someone to sit there and not express how they feel based upon a particular subject matter. We need the interaction between all of you very bright and talented people, and, as the gentleman from California said, who have spent years looking at this subject matter.

It is not an easy subject matter to deal with. Everybody says it's easier than Medicare. I will simply offer this evidence. We have changed the Medicare law three times, and we're probably going to change it another five. We have not addressed Social Security in more than 20 years.

This opportunity, in the chair's opinion, cannot be missed, even if the changes are at least showing up to move on to additional discussions, as we mature and grow in our knowledge about how we can make changes, but, more importantly, as we know, we have to respond to the aging Americans, the aging society and the fact that today's seniors, I believe, are far more competent, knowledgeable and understanding than seniors in the 1930s on the way in which they can assist in taking care of their own lives.

The committee stands adjourned.

END

NOTES:
[????] - Indicates Speaker Unknown
[—] - Indicates could not make out what was being said.[off mike] - Indicates could not make out what was being said.

PERSON: WILLIAM M THOMAS (94%); NANCY L JOHNSON (57%); E CLAY SHAW (57%); JIM MCCRERY (56%); WALLY HERGER (56%); DAVE CAMP (56%); SAM JOHNSON (55%); JIM NUSSLE (55%); JIM RAMSTAD (55%); JERRY WELLER (53%); KEVIN BRADY (52%); MARK A FOLEY (52%); JOHN LINDER (51%); ERIC CANTOR (51%); PAUL RYAN (51%); BOB BEAUPREZ (50%);

LOAD-DATE: May 13, 2005

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Copyright 2005 Chicago Tribune Company
Chicago Tribune

May 11, 2005 Wednesday
RedEye Edition

SECTION: Pg. 15

LENGTH: 297 words

HEADLINE: CANINE LINES

BYLINE: by Whizzer.

BODY:

1. Just trying to help

I figured out what's wrong with LaTroy Hawkins. The mound is too far away from the plate. Voila. No charge for that, by the way.

2. Sleeping beauties

SI.com just named the Cubs one of the five most disappointing teams this season. Welcome, my national media friends. How was the nap?

3. Go figure

Sammy Sosa may not play in Chicago this week since he's out with an abscess on his foot. It's so not like him to have injuries I've never heard of.

4. This just in

"The infection is draining," Sosa's manager said. "That's a good sign." Yes, well, on a related note, I won't be finishing this burrito.

5. Nice try but ...

In the latest move to make Ben Affleck disappear from the face of the planet, the Lakers raised courtside seat prices from $2,000 to $2,100 per game.

6. It's the economy, stupid

LeBron James fired his agent after the guy scored the 20-year-old superstar $135 million in endorsement deals. Yes, sorry, $140 million was the goal.

7. Throwback player

Actually LeBron dumped his longtime rep for a buddy from high school. What is this, prom?

8. Boxers or briefs?

Former heavyweight champion John Ruiz decided to keep boxing less than two weeks after retiring. This guy changes his mind like LeBron changes agents.

9. He promised

If Dennis Rodman uses his new autobiography "The Worm Returns" to reveal details about that time in Vegas when that thing happened to me at that place with that person, I'm suing.

FIVE THINGS...

Five reasons why I think LeBron fired his agent, Aaron Goodwin (below):

- Didn't get him a role in "Revenge of the Sith."
- Lousy, lousy 20th birthday present.
- He didn't "fire" him, he just put him on waivers.
- He likes Leno, agent likes Letterman.
- It's hard to make news when you're not in the playoffs.

Edited by the sports staff of RedEye

NOTES: CHATTER

GRAPHIC: PHOTO: (Aaron Goodwin.)
PHOTO

LOAD-DATE: May 12, 2005

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Copyright 2005 Cleveland Scene, LLC
Cleveland Scene (Ohio)

May 11, 2005 Wednesday

SECTION: Music/Preview

LENGTH: 58 words

HEADLINE: Male and Female Pole Dance Contest
Every Thursday. Scorchers North Royalton, 13855 Ridge Rd., 440-877-1818.

BYLINE: By D.X. Ferris

BODY:

Ever thought about cashing in your chips, walking away from it all, and becoming a dancer in Vegas? Before you turn in your two weeks' notice, see if you really have what it takes at Northeast Ohio's only coed Pole Dance Contest. Every week, some of the area's top hardbodies (and not-so-hardbodies) compete for cash and other prizes. Superstar!

LOAD-DATE: May 12, 2005

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CNN

SHOW: CNN CROSSFIRE 4:30 PM EST

May 11, 2005 Wednesday

TRANSCRIPT: 051101CN.V20

SECTION: NEWS; International

LENGTH: 3689 words

HEADLINE: Small Aircraft Causes Big Scare

BYLINE: Donna Brazile, Robert Novak, Wolf Blitzer

GUESTS: Cliff May, P.J. Crowley

HIGHLIGHT:

A small plane causes evacuations after entering restricted airspace in Washington, D.C. A discussion of preachers telling their congregations whom to vote for.

BODY:

(BEGIN VIDEOTAPE)

ANNOUNCER: CROSSFIRE. On the left, Donna Brazile. On the right, Robert Novak.

In the CROSSFIRE. Fear in the nation's capital. People ordered to evacuate the White House, the Capital and the Supreme Court. Military jets scrambled in disguise over Washington. A quick all-clear after a small plane flies into restricted air space. Is it proof that Homeland Security has the job in hand one day after the former secretary of the department disclosed differences inside the government over when to raise the alert level?

Today on CROSSFIRE. Live from the George Washington University, Donna Brazile and Robert Novak.

(END VIDEOTAPE)

ROBERT NOVAK, CROSSFIRE CO-HOST: Welcome to CROSSFIRE. Washington went on red alert today when an unidentified aircraft flew into restricted airspace. A resulting alert quickly put military aircraft into the skies over the Capital city. People were ordered out of the White House, the Capitol and the U.S. Supreme Court.

DONNA BRAZILE, CROSSFIRE GUEST-HOST: The all clear came in about 15 minutes. Security forces took quick action to protect our government. But is it enough being done to protect other Americans in this age of terror?

Before we look into that? Here's our political CROSSFIRE alert.

NOVAK: The Senate has given final approval to $82 billion emergency appropriations bill to fund the war in Iraq. The vote was 100-0, unanimous. Senator John Kerry voted aye, but then he attacked the bill. So, he might repeat his stunt last year as Democratic presidential nominee. Last year he put himself on both sides of an $87 billion war bill. He voted no against funding the troops, but then said this to a political rally, quote, "I actually did vote for the $87 billion before I voted against it" unquote. Now that he's running for president again, can we count on a Kerry balancing no vote in the immediate future?

BRAZILE: Well, Bob, first of all Senator Kerry did the absolute right thing to voting yes. We need the money, the troops need it. We need to ensure that they can get home adequately and have what they need to finish the job. So, I think Senator Kerry will stand up for our troops. NOVAK: Well, you may not have read what he said to the Senate. He said, what a bad bill it was. All the bad things. And he'll probably — if he runs again — say well, I voted no. But before I voted yes, before I voted no. I said it was a bad bill.

BRAZILE: He didn't like all the pork in the bill. There's money in the bill that would provide resources in areas that will not go to help our troops in Iraq. So, I think Senator Kerry was absolutely right to put that on the record.

Halliburton's contract with the U.S. government, it's a gift that just keeps on giving. In a truly outrageous move, the U.S. Army's awarding the Halliburton unit Kellogg Brown and Root over $72 million in bonuses. Why you ask? Does Dick Cheney's old company deserve this enormous check? The Army says it's for the excellent job Halliburton has done providing logistic support in Iraq.

How does overcharging the government, among other questionable practices, translate into an excellent job? This is a slap in the face to all the U.S. taxpayers, especially in a time of budget crisis. We are all being asked to tighten our belt, but no, it's time that we tighten the belt of Halliburton and keep our troops secure. This company continues to overcharge the United States government, handing out millions in bonus money. You know what Bob, it's downright shameful.

NOVAK: You know what. Halliburton is on the talking points of Democrats. Donna, you tried that in the last campaign it didn't work. People don't care about Halliburton. Halliburton, you may not know, is the only company who can do these jobs. They do a very good job of it. It is expensive. But it's a very hazardous duty. And I say thank goodness we have got big companies like that out there to do the job no one else wants to do.

BRAZILE: Well, Bob, how will we know? Because this is a sole-source contract — they've received over $7 billion. This is like giving bonuses to bad employees.

NOVAK: Senator Harry Reid of Nevada, the Democratic leader of the Senate, goes to the White House today. No wonder his aides and colleagues are holding their breath for fear of what he might say or do there. The senator's been on a tear lately. He has referred to the great Supreme Court Justice Clarence Thomas as an embarrassment. He reviled the revered federal reserve chairman Alan Greenspan as a hack. And talking to high school students the other day, he said this of the president of the United States "I think this guy is a loser."

The sad part is Democratic politicians like this kind of nasty talk. But I'll guarantee you the American people hate it.

BRAZILE: Well, Bob, now that we know the president — look, President Bush has rhythm. We have seen that the other day when he was over in Georgia. Now that we know he has rhythm, perhaps he'll dance with Senator Reid and Senator Reid won't have to fight as hard.

NOVAK: I understand there's a Republican ad coming out that shows Harry Reid dancing in a tutu.

BRAZILE: I have no idea.

NOVAK: Have you heard that?

BRAZILE: Well, you remember, what happens in Vegas should stay in Vegas.

(LAUGHTER)

BRAZILE: Well, for months he's been trying to get Democrats out of his church. Now he's getting out instead. Chan Chandler, the pastor of a Baptist Church in East Waynesville, North Carolina has resigned. He infuriated many church members last fall when he endorsed President Bush from the pulpit and told them anyone that voted for John Kerry needed to repent or resign.

Chandler didn't apologize when he resigned yesterday. He said he was stepping aside, because the controversy was hurting the church. Of course the controversy was his fault in the first place.

We have got separation of church and state for a reason. And Reverend Chandler, for got that separation should be arm's length wide and a mile long. But too many evangelical churches are just not P.C. anymore. They are downright political and are teaching hate instead of tolerance.

NOVAK: You know, Donna, you didn't even get the worst part of the story. This guy not only told them they had to

vote for Bush, if they didn't he'd kick them out of the church. That was the worst part of it.

But I tell you this, how hypocritical you are in talking about separation of church and state. I have been — I haven't been to as many as you have, but I have been in a lot of black churches and you know well where the preacher is saying vote for George McGovern, vote for Bobby Kennedy vote for Bill Clinton. Don't give me that baloney about separation of church and state.

BRAZILE: The difference is that they may say vote your conscience, but they won't say you are going to hell and kick you out.

NOVAK: The hell they don't. They say vote for Bill Clinton.

A potential threat was identified and authorities in Washington responded. Next, we'll debate the state of the U.S. war on terror. And Hillary Clinton and Newt Gingrich together again.

Later on CROSSFIRE.

BRAZILE: Welcome back to CROSSFIRE.

There was a big scare in D.C. Today. A pilot flew his small plane into restricted airspace getting to within three miles of the White House. People were evacuated from there and from the Capitol. The plane was forced down and the pilot taken into custody. Is the homeland secure enough? Today in the CROSSFIRE Cliff May, president of the Foundation for the Defense of Democracies. And P.J. Crowley, senior fellow from the Center for America Progress and a former spokesman for the National Security Council. Welcome, gentlemen.

UNIDENTIFIED MALE: Thank you.

(APPLAUSE

NOVAK: Let me summarize what happened. You have a little plane, tiny little private plane with a student pilot and an instructor. Still pretty far from the White House. It is intercepted by two 2 F-16s. At the time they have apprehended it, the people are pouring out of the White House, the U.S. Capitol and the Supreme Court. That's the picture. P.J. Crowley — and I'm going to ask you later — give me your assessment of how this operated?

P.J. CROWLEY, CENTER FOR AMERICAN PROGRESS: I think by and large the system did work. It certainly worked today butter than it did a year ago when a plane with Ernie Fletcher, the governor of Kentucky, was coming in for Reagan's funeral and they couldn't intercept it in time. So, I'm hard pressed to criticize that.

I think the system did work. Generally aviation — it's very big question mark in terms of homeland security. We haven't really done a lot on it. But it remains a significant danger.

CLIFF MAY, CENTER FOR THE DEFENSE OF DEMOCRACIES: You are old enough to remember you guys probably aren't when a plane actually landed on the lawn of the White House when Clinton was there. In fact, it was said to be Jim Woolsey, the CIA director trying to get an appointment. Do you recall this, right?

You know the joke, too, right.

NOVAK: Joking aside. How do you think....

BRAZILE: Well, it's 4:00 in the morning, I'm sure Bill Clinton wasn't there. It's too early for him to be home.

MAY: That must be his joke.

BRAZILE: Well, he was out working.

MAY: Oh, I got it.

NOVAK: How do you think it worked?

MAY: I agree with my friend P.J., overall it wasn't bad. You don't want things like this to happen. As an exercise it went fairly well. There are still things wrong.

NOVAK: Not an overreaction, gentlemen?

CROWLEY: No. NOVAK: Gee, a little tiny plane. Isn't there any judgment.

MAY: P.J. knows this better than I. Very quickly, the pilots who track the plane realized this is a two seater. It doesn't have much on it. They couldn't hold much more than fuel. This is not a great danger. That's not an easy thing to recognize without good experience in the air. And you know this.

NOVAK: So it didn't work so well then.

MAY: Figure it out. They didn't even shoot it — if they shot it down I wouldn't be laughing so much.

BRAZILE: First of all, I agrees with Cliff and P.J., that this was a danger and they did the right thing in evacuating the Capitol and of course the White House and the Supreme Court. But what about all these other federal agencies. And all of the federal workers and the people. I mean, no one alerted us. I'm worried about a system that red must mean members of Congress and the president and the rest of us, well, you know.

MAY: As usual I think have you a point. I think as a fire drill, this went pretty well. But what you just mentioned is something to learn from this. So we can do better. Our homeland security has a long way to go yet.

NOVAK: You want to evacuate the whole city?

BRAZILE: Yes.

MAY: No. But I think well...

BRAZILE: Yeah. No. We got our information from CNN.

CROWLEY: No, I think that — I think that the 9/11 commission talked about national preparedness. And building by building, block by block, each of the facilities in and around the White House — I was two blocks away — you know, need to have a plan in case some of these things happen.

But the odd thing here is — let me tell you one other thing — what else is happening in the District of Columbia right now is the Department of Homeland Security has taken the District of Columbia to court. The District of Columbia wants to prevent hazardous material cars from flowing right through the Capital — or right through Washington, right next to Capital. Today, for example, had a HAZMAT car been traveling through the District, airplane comes in, takes that HAZMAT car out, we have 100,000 people killed in 30 minutes.

And so what is the Bush administration doing? They're taking D.C. to court, because they say we're going to protect business as usual. We don't want to disturb the way the CSX operates.

So, this is one thing. But taken as a whole, we really are squandering this period of time where we need to be making our critical infrastructure more say. NOVAK: I'm going from a different direction. I mean, I think the overreaction is palpable. I — one half hour after they announced all clear, the police on Capitol Hill were still blocking the streets. Why were they blocking the streets on Capitol Hill creating a huge traffic jam. And you say, well it's tough to have a traffic jam. But it's unnecessary.

MAY: This is not an easy thing to settle, because what you're talking about — both of you — is how much risk do we want? How popular is it?

NOVAK: Risk. There's no risk!

MAY: No. When he talks about somebody going through the Capital in a plane hitting that particular truck just as it passes the White House or Congress. You're talking about — somebody can calculate that risk at one in 10 million or whatever it is. We need to figure out what — do we need to evacuate the entire city or just the Capitol?

NOVAK: For a little plane?

MAY: But here's the good news, Michael Chertoff, who is the new director of Homeland Security, he is doing this not in the impressionistic way. He's doing it in a scientific way. He has statisticians and mathematicians, and they are figuring out what are the odds and then they are going to do it in a very rational way.

Let me also, if I can, just point out to you two Sunday ago, Washington Post, not a conservative paper, progress on the home front, U.S. sees drop in terrorist threats. That shows we're making progress. It shows we've got the terrorists tied up in Iraq and Afghanistan and other places.

BRAZILE: We are — how would you grade Homeland Security?

CROWLEY: I think it's the forgotten dimension of national security. For example, yesterday we passed an $82 billion supplemental for the war on terror. $76 billion goes to the military. I don't begrudge that. $794 million, less than 1 percent, goes to the Department of Homeland Security. We're not treating Homeland Security anywhere near we are the urgency that we are with Iraq and Afghanistan.

And here's the problem, you know, the president says we're battling terrorists in Baghdad so we don't have to face them here. We do have to face them here. And the question is, we can't stay on the offensive forever. At some point our troop will come home. And when they do, we're going to have to take a pause. And when we do that, we need to have done a lot more than we currently done to protect our economy, protect our society, protect our people.

(APPLAUSE)

MAY: I would just argue that what we have to do is stay on the offensive. The best thing we did for national security and homeland security was capture Abu Faraj al Libbi who was the operations officer of al Qaeda. It's not so easy for Osama bin Laden to put a want ad out and get another good operations officer to take care of his terrorists all around the world.

(APPLAUSE)

NOVAK: All right. We're going to take a break. And when we come back, does the color coded terrorist alert system work? And what did actor Macaulay Culkin have to say about Michael Jackson today? I bet you'll want to know that. Wolf Blitzer has the latest just ahead.

5.11.05

WOLF BLITZER, HOST "WOLF BLITZER REPORTS": I'm Wolf Blitzer reporting from Washington. Coming up at the top of the hour, red alert over the White House and the U.S. Capitol and it resulted in an evacuation after a small plane flies into restricted airspace.

We'll have the complete update. That's coming up on the investigation.

United Airlines will default on its pension plans: what that means for United workers and for every American who counts on a pension.

And the former child actor Macaulay Culkin takes the stand in the Michael Jackson trial. We'll tell you what he said. All those stories, much more, only minutes away on "WOLF BLITZER REPORTS." Now, back to CROSSFIRE.

NOVAK: Welcome back to CROSSFIRE.

The response to today's alert in the skies over Washington was quick enough to avoid any damage or injuries, but was there overreaction? And is there a way to avoid these false alarms? Still in the CROSSFIRE, P.J. Crowley, former National Security Counsel spokesman, and Cliff May, president of the Foundation for the Defense of Democracy, still on.

BRAZILE: Since leaving the government, former Homeland Security Secretary Ridge has basically come out against the color-coded systems. You all believe it's dysfunctional and should it be replaces? And if so, what system would be adequate?

MAY: Basically, I'd say it's not a great system, but it's probably better than nothing. But — and I haven't heard anybody, and maybe P.J. can come up with a better idea.

CROWLEY: Well, I think it needs to be a simpler system. Obviously, we haven't had...

MAY: What colors? How much simpler can we get?

(LAUGHTER)

CROWLEY: Well, today's example of how the system worked. It was very localized. Now, the other thing that Secretary Ridge said was, that, in some cases, he didn't want to change the alert system last year but he was told to by the White House, which means one of two things. One is they were covering their ass, which they were doing before the election. Second, they were manipulating the fear factor to help gain in the election. I think they were doing both.

(APPLAUSE)

NOVAK: Let me — let me ask you this. (INAUDIBLE) I grew up and used to have policeman, in a very calm voice,

when there was trouble saying, walk, do not run. We had today, policeman, sounding hysterical, yelling, get out of here, get out of here, and saying run, run, run. Isn't there a possibility, with more people, when you have an evacuation — I have never heard of that, telling people to run. You could have some serious damage, some — a stampede and people very badly hurt.

CROWLEY: Certainly, and I think we do definitely need to do a better job of national preparedness, helping people understand where there's a threat and knowing in advance, what do you do when the threat occurs? But part of that is going to be resources. Right now, 88 percent of what we spend on national security is for military affairs. They are always the first option. Homeland security has been the last option. We're simply not devoting enough resources to make ourselves better prepared to deal with these kind of situations.

MAY: Here's what I'd hope they do. After a — don't worry you had a false alarm today. As we've said, as I think we've agreed, it's probably a good thing in a certain way. Now, have a, what they call, a post-action review. Now, take a look at all the film that was done — as you say, there's film all over the city...

NOVAK: Find out where they're running.

MAY: ...and let's critique everybody.

NOVAK: What do you think of telling the people to run? What do you think of that?

MAY: That sounds like something you probably don't want to be doing. You're right. You don't say — you would say, walk, don't run. Don't run with scissors.

BRAZILE: Or run to the nearest CNN station, because that's what many members of Congress had to run to find a TV and learn from CNN what was happening.

Cliff, there are over 7 million Americans who live in this so-called no fly zone. Should it be enlarged to perhaps give those of us who live in the central city better time to evacuate or make preparations?

NOVAK: Oh, jeez.

MAY: I think — Look, I think Bob's is right. I think the system worked today. The plane didn't land on the Capitol. It didn't go over the White House. You had planes in the air to escort it down. I think what we found out today is at least that part of it worked well. Let's figure out what doesn't. I don't think we need to go crazy. I think what we need to do is take prudent precautions, not just do everything.

NOVAK: Let me ask you, you gentlemen are both experts in foreign policy as well as other things. What does it look like for a great nation, the most powerful nation in the world, evacuating everybody, the House Democratic leader lost her shoes I understood. I mean, what — because a little plane flew — got — cut a corner in this no-fly zone. How does it look to the rest of the world?

RAY: Well, Robert, I think the key is that we've really forgotten that there is still a risk here, and obviously we're rusty a little bit today, and we need to learn from it. We need to do better, but we also need to devote more attention and resource than what the Bush administration is doing.

RAY: The rumor that Nancy Pelosi's shoe was returned by a prince is not true. I want to get that out of the way, right now.

NOVAK: Out of the way!

BRAZILE: Well, I heard Tom DeLay was going to buy her a new pair of shoes with some more fees from lobbyists.

RAY: Look, I think — we live in Washington, D.C. This is dangerous place to live. A lot of people feel that way. We need prudent precautions. I think you make a good point, you can go overboard.

(CROSSTALK)

CROWLEY: Avoid the nuclear option.

NOVAK: (INAUDIBLE) ...Crowley.

From political enemies to political allies, find out why Hillary Clinton and Newt Gingrich face the cameras together. Oh, they were so together today.

NOVAK: Remember the political feud when Hillary Clinton was first lady and trying to socialize American medicine? Republicans in Congress led by then-speaker Newt Gingrich fought against that proposal and defeated it. So, why was Senator Hillary Rodham Clinton and former House Speaker Newt Gingrich together on Capitol Hill this morning? They claim to be part of a nonpartisan effort to reform healthcare for the 21st century. In fact, Gingrich says this about his so-called nonpartisan partner, quote, "Hillary has become one of the very few people who know what to do about healthcare," end quote. Shakespeare was right about strange bedfellows, especially when politics are involved.

BRAZILE: Well, Bob, look, if this helps bring 44 million people closer getting health insurance, I'm all for it. Kum bah yah (ph), Hillary and Newt.

NOVAK: I smell — I think you're a very evil Democratic operative and you want Newt as the sacrificial Republican candidate in '08 and Hillary will just chew him up.

BRAZILE: Oh, Newt Gingrich did a great job, joining Hillary.

From the left, I'm Donna Brazile. That's it for CROSSFIRE.

NOVAK: On the right, I'm Robert Novak. Join us again next time for another edition of CROSSFIRE. "WOLF BLITZER REPORTS" starts right now.

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LOAD-DATE: May 12, 2005

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Cox News Service

May 11, 2005 Wednesday

SECTION: Sports

LENGTH: 555 words

HEADLINE: Chavez, Chavez wow crowd with sparring sessions

BYLINE: CEDRIC GOLDEN

DATELINE: AUSTIN, Texas

BODY:

Even Jesus Chavez had to admit how thrilled he was to share a gym with the legendary Julio Cesar Chavez.

"It's very exciting," he said. "He's one of the all-time greats."

The former champions thrilled a packed Cantu Pan American Rec Center crowd Wednesday with a pair of brisk sparring sessions in preparation for a May 28 card that's being hyped as "Adios," a reference to Julio Cesar Chavez's supposed final bout, against Ivan Robinson. The two will meet in a 12-round main event.

Austin's Jesus "El Matador" Chavez (40-3) will take on Carlos "Famoso" Hernandez (41-4-1) on the undercard of the event, which will be televised by Showtime on a pay-per-view basis.

Julio Cesar Chavez (107-5-2) is regarded by many to be the greatest fighter to come out of Mexico. It is believed that the Robinson fight is the career finale for Chavez, but he has said that before, only to return for another payday.

As for the 32-year old Jesus Chavez, the former WBC super featherweight champion hopes to make the climb back to world title prominence, but is admittedly taking a huge risk by fighting Hernandez, another former world champion.

Chavez won the title over Thailand's Sirimongkol Singmanassak in a unanimous decision Aug. 15, 2003 at the Austin Convention Center, then lost it in a unanimous decision to Erik Morales six months later in Las Vegas. Chavez also left Vegas with a torn rotator cuff and a torn knee ligament, both of which required surgery.

Now healthy, he is hungry to re-establish himself as a world title contender.

"People thought I was crazy to take this fight without a warmup fight coming off two surgeries," said Chavez, who is ranked sixth by the WBC. "I didn't want to take a chance on a warmup, so when this chance to fight Carlos came up, I had to take it."

Chavez sparred three rounds before an enthusiastic audience Wednesday. Forty-two-year-old Julio Cesar Chavez (no relation) received a thunderous standing ovation before taking the ring for his own three rounds of sparring. He will return to the ring for the first time in a year when he faces off against the 32-9 Robinson in the main event. His son, Julio Cesar Chavez, Jr., also will fight in a six-round bout against an opponent to be determined.

The elder Chavez, a three-time world champion, began his career by fighting 90 consecutive fights without a loss. He sports a record of 107-5-2 with 87 knockouts. He has been in several classic matchups, including two losses to Oscar De La Hoya and a controversial 12th round TKO win over Meldrick Taylor in 1990.

Recent years have been spent fighting a lawsuit battle with former promoter Don King, whom he claims underpaid him during his most productive years in the ring. Chavez has "retired" on several occasions, only to change his mind and fight again. He has fought three times in the last four years. Chavez was stopped in the sixth round by Kostya Tszyu in July 2000 in a bid for the WBC junior welterweight championship.

The card is called "Adios," but in boxing, goodbye does not always mean goodbye. Chavez hinted at fighting again if he beats Robinson.

"We'll see," he said through an interpreter. "If everything goes well, who knows? I may come back and fight in Texas."

Cedric Golden writes for the Austin American-Statesman. E-mail: cgolden(at)statesman.com

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May 11, 2005 Wednesday

SECTION: Entertainment, Television and Culture

LENGTH: 1141 words

HEADLINE: Country comedy moves up in world

BYLINE: PHIL KLOER

DATELINE: ATLANTA

BODY:

Jeff Foxworthy thought he knew something about being recognized in public, what with 15 million albums sold; 20 years in comedy, movies, TV, DVDs, concerts; and one of the best-known signature lines in comedy history.

"I'd be out, and people would come up, and I'd sign some things," he recalls of days gone by _ several months ago. "But lately it's been crazy," he continues. "We were in Gatlinburg on a family vacation, and I couldn't hardly move for people coming up to me. And it's because of the TV show."

The show is the WB's "Blue Collar TV," and it's helped start a brush fire of country comedy heat. On the Billboard comedy CD chart, seven of the Top 10 albums are from what might be called red-state comics _ guys (and they're all guys) like Foxworthy, Larry the Cable Guy, Bill Engvall, Ron White.

It's a hard-to-pin-down sensibility that's working-class and rural _ not only unhip, but sometimes aggressively anti-hip. For a single summing-up image, check out the cover of Larry the Cable Guy's new CD, "The Right to Bare Arms": Larry's in a sleeveless shirt and ratty baseball cap (with a faded Confederate battle flag barely visible), flexing a beefy bicep tattooed with the Preamble to the Constitution.

"In Texas we have the death penalty and we use it! If you come to Texas and kill somebody, we will kill you back. Other states are trying to abolish the death penalty; my state's putting in an express lane."_ Ron White

Larry the Cable Guy's CD debuted at No. 1 on the country music chart _ the first time that's ever been done, even by Foxworthy. "I kid him that I did redneck jokes for years, and now he comes along and he is one!" jokes Foxworthy. "He's like Little Elvis."

"My brother's probably the biggest redneck in the family. At his house, teeth are bling." _ Larry the Cable Guy

"This is the last acceptable stereotype that it's OK to make fun of, the redneck or the poor white trash. This comedy is a way of re-appropriating it," says Tony Harkins, author of "Hillbilly: A Cultural History of an American Icon" (Oxford University Press, $39.95) and assistant professor of history at Western Kentucky University.

"They take this negative and define it as a positive, celebrating the life of the common people. People like Foxworthy are saying they're outside of the category of redneck, and they're not, at the same time. I think their audience is doing the same thing."

"If you've ever worn a tube top to a funeral _ you might be a redneck." _ Jeff Foxworthy

Foxworthy shrugs off being stuck into any "country comedy" box.

"I don't mind it," he says. "I always said there was a whole country out there of people who weren't from New York or L.A. That's who our base is _ the regular people."

For years, Foxworthy had this field mainly to himself, with the occasional Cledus T. Judd chiming in. But then

Foxworthy heard about the Kings of Comedy Tour _ four African-American comics who were selling out huge arenas and making a ton of money _ and he put together the Blue Collar Comedy Tour: himself, Engvall, Larry and White.

"If it wasn't for Foxworthy, nobody would have heard of me," says White. "You can be the funniest guy on the planet, and there's no guarantee this will happen."

White, whose CD is No. 9 on Billboard's comedy chart, did a series pilot for the WB network. He's also doing two shows at the Fox Theatre in Atlanta June 11 that will gross more than $250,000 in one night if they both sell out, which seems possible.

Not only that, but Foxworthy and his wife, Gregg, introduced White to his wife, Barbara, who was the interior decorator on Foxworthy's Alpharetta, Ga. home. (Somehow "If you have an interior decorator for your home in Alpharetta, you might be a redneck" just doesn't work.) Now White lives in Suwanee, but even though he still goes by the nickname "Tater Salad" (the punch line to a long routine about getting thrown out of a bar), he feels more like Vegas, projecting a sort of Redneck Rat Pack image in his act (dressed in black, scotch in one hand, cigar in the other).

"If you're here tonight and you're a vegetarian, shut up." _ Ron White

Foxworthy launched the Blue Collar Comedy Tour in 2000, not long after his sitcom "The Jeff Foxworthy Show" crashed and burned on two separate networks (ABC and NBC). The tour was filmed for a 2003 theatrical movie, released as a soundtrack and a DVD, done again as a sequel, sold to cable (Comedy Central got its second highest rating with it, after a "South Park" episode), and so on through the comedy food chain until the WB came up with "Blue Collar TV" last fall. It's a skit format in the tradition of "Hee Haw," only a lot funnier. And this time, unlike "Hee Haw," there's no doubt who was laughing with or at whom.

"If you've ever taken a beer to a job interview _ you just might be a redneck." _ Jeff Foxworthy

"Blue Collar TV" is no barnburner by prime-time standards; it averages only 3.4 million viewers a week. But it's the WB, and it's on at 8 p.m. Thursdays opposite "Survivor," so that's not too bad.

And it's more than enough to turbocharge the sales of the comics' CDs. "The Right to Bare Arms" CD sold 92,000 its first week, which was enough to make it debut at No. 7 on the Billboard overall chart _ the highest debut ever for a comedy album.

"'The Apprentice"? Isn't that the dumbest thing you ever seen in your life? It's basically a game show and first prize is a job. What's second prize _ jury duty?" _ Larry the Cable Guy

Dan Lawrence Whitney (Larry's real name), whose catchphrase is "Git-r-done" (a variation of Elvis' "Taking Care of Business"), is the only one of the country-fried comics who's been criticized for stepping over the line of political correctness, the unspoken line in stand-up that says, for example, if you're African-American, you can make fun of fellow African-Americans, but if you're not, the joke had better be very, very funny.

In his act, Larry makes passing references to blacks, Hispanics and gays in ways that some might find offensive. His riffs against political correctness, though, make the jokes seem like part of a political philosophy; remember, he's the guy with the Preamble to the Constitution tattoo on his CD cover.

"I think race is a part of this equation, but I don't think it's explicitly racist," says Harkins of Western Kentucky University.

"It's more a racial way of defining oneself outside of a mainstream that celebrates multiculturalism," he adds.

And sometimes race, or class, or red state-blue state has nothing to do with it. Some jokes go above that. Or below, as the case may be.

"I dreamed I drank the world's largest margarita last night, and when I woke up there was salt on the toilet lid." _ Larry the Cable Guy

Phil Kloer writes for The Atlanta Journal-Constitution. E-mail: pkloer(at)ajc.com

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Daily Star

May 11, 2005

SECTION: U.K. 1st Edition; NEWS; Pg. 7

LENGTH: 350 words

HEADLINE: BRIDGET JONES'S DOWRY; RENEE SECRETLY WEDS COUNTRY STAR AFTER WHIRLWIND ROMANCE

BYLINE: by NADINE LINGE

BODY:

BRIDGET Jones's singleton days are over after Renee Zellweger tied the knot with a multimillionaire singer.

Actress Renee, 36, who played famously single Bridget, has wed America's top country star Kenny Chesney.

The couple got hitched in secret on a romantic Caribbean island after a whirlwind four-month romance.

Chesney, 37, had a crush on the actress after seeing her in smashhit film Jerry Maguire.

He was even inspired to pen his 1999 hit, You Had Me At Hello, after her famous line to Tom Cruise, 42, in the movie.

They met when Renee served Kenny a cocktail as she helped out at a tsunami relief concert.

Our pictures show Renee on the island of St John, wearing a dress by designer Carolina Herrera, 66.

The couple strolled barefoot up the aisle before being married by a woman preacher.

The newlyweds and their 45 guests then headed back to Kenny's house for the reception just outside the main town of Cruz Bay. The Oscar-winning actress's publicist Nanci Ryder said: "Renee and Kenny were married on Monday in front of close family and friends."

Renee's most famous role was as unlucky-in-love Bridget.

She was with White Stripes singer Jack White, 29, for two years and dated Irish star Damien Rice, 34, and Hollywood hunk George Clooney, 44.

She was briefly engaged to actor Jim Carrey, 43.

Kenny is the biggest name in country music and made £14.5 million last year. His fans include President George Bush.

Hit by a sudden hitch. . .

RENEE and Kenny wed four months after meeting. Other celebrity couples' whirlwind romances have ended in divorce:

Julia Roberts, 37, and Lyle Lovett, 47 (left): Julia married singer Lyle in 1993, weeks after getting together. They divorced two years later.

Britney Spears, 23, and Jason Alexander, 23: The childhood pals wed in Vegas after a boozy night out. It lasted just 48 hours.

Gail Porter, 34 and Dan Hipgrave, 29: Married in 2001 after six months but split last summer.

Chris Evans, 39 and Billie Piper, 22: Wed in Vegas in 2001 after just weeks together. Separated last year.

LOAD-DATE: May 11, 2005