Congress of the United States
Washington, DC 20515

October 12, 2005

The President
The White House
Washington DC 20500

Dear Mr. President:

We are writing out of concern about your plan to provide the gambling industry in the Gulf region with special tax breaks as part of its economic recovery package in the wake of the devastation left by Hurricane Katrina.

A recent *Washington Post* article indicates that the administration is not planning to exclude gambling interests from receiving economic development tax breaks. This tax break represents a dramatic shift from current federal policy, under which the exclusion of casinos from receiving special tax breaks has been routine.

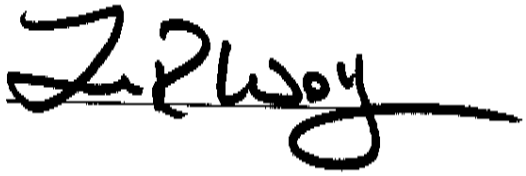
According to Bill Crawford, deputy director of the Mississippi Development Authority, the casinos there have not needed any enticement to invest in the state and are ready to rebuild. A Harrah's spokesman said the casino was planning to "come back bigger and better" in the wake of hurricane Katrina — without special tax breaks.

In Mississippi, the gambling interests have never received special economic development tax breaks. According to Brian Richard, an economic development expert at the University of Southern Mississippi and a former employee of the Mississippi Gaming Association, the gambling industry has been specifically excluded by statute from state economic development incentives. Mississippi economists note that it's not needed. "The casinos don't need this. If they are eligible, that would be a complete waste of money," William Shughart, an economist at the University of Mississippi, told the Post.

With budget deficits growing to historic levels, we need to make sure tax dollars are going to those who truly need the government's help. Tax breaks for the gambling industry do not make sense. The Post article calculates the benefit to MGM Mirage could reach $50 million and that's only one casino enterprise. This special interest incentive would be a disgrace.

We trust you will do the right thing and make sure federal resources go to the poor, the needy and the vulnerable and not the gambling interests who already have insurance to cover catastrophic events like hurricanes.

Sincerely,



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