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Good Afternoon,

Chairman Larson, Chairman Dargan and the distinguished members of the Public Safety Committee. It is my pleasure to testify before you on this very important topic. My name is James Amann, Managing Member of International Government Strategies and I am here to represent my client Shoreline Star.

I would like to make one thing perfectly clear. I would not be testifying here today without having numerous conversations over the past three years with Connecticut's Native American Tribes, Sport Tech, members of this committee, members of the General Assembly, Mayors, and Selectmen. Most, if not all have interest in this bill moving forward.

My message has been consistent, if this is going to succeed then we will need to put the slot machines at existing Pari-mutuel facilities located at; Bradley Theater in Windsor Locks, Sports Haven in New Haven and Shoreline Star in Bridgeport. The reasons why are because they have been licensed facilities for almost four decades, they are zoned for gaming and they have adequate parking. The capital expense to the State and to our Native Tribes would be zero.

The other point that I strongly want to get across to the committee today is, that we want slot machines at these facilities. The same slot machines, that are in Mohegan Sun and Foxwoods today. A real gambler wants to play slot machines. Slot machines bring more people to the facilities and more revenue to the state. We do not want video slot machines. There is a significant difference in the amount of people that will play and how much they will spend.

The sad fact is that revenue from our Native American Tribes continues to decline and the State's economy is at best, tenuous. This is apparent year after year, budget deficits, a very high unemployment rate and the exodus of jobs outside of Connecticut, have taken their toll on the State's fiscal health. It's time to take action to grow our economy and one big step is to make sure our casinos, Mohegan Sun and Foxwoods Resort, get back in good financial health. We need to do this because of the poaching of the regions gamblers.

To bring you up to date, as of November 27, 2013, New Jersey began allowing Internet gambling in an effort to tap into new sources of revenue outside Atlantic City. The state hopes to attract a younger more web-dependent demography without stealing customers from New Jersey's struggling casinos.

There are also a growing number of casino developers. New York State voters approved a constitutional amendment allowing up to seven new casinos in the state, scrutinizing locations and drafting proposals



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in anticipation of a bidding process that started in early 2014; the first four casinos will be permitted only north of New York City.

The Massachusetts Gaming Commission voted and approved the MGM Casino which will be knocking at Connecticut's door.

When any or all of these casinos are approved, it will continue to erode revenue to the municipalities who have already been hurt.

At the Connecticut Gaming Policy meeting on September 28, 2011 board member Edward Osswalt asked, "With the Massachusetts legislation, does it complicate resort type casinos?" Frank Virnelli answered, "Yes; there is actually a minimum of 500 room doors at each facility. There are some concerns that some of the places that host concerts already in the state are concerned that they will lose acts now. The idea is for these to be full casinos to keep people in Massachusetts and draw people from Connecticut and other areas." Now with MGM's approval, this will be a fact.

What was once a monopoly for the State of Connecticut has become a game of monopoly for our surrounding states. We must not be afraid to roll the dice and expand the slot compact to stop the job and revenue shrinkage that is and will continue to occur.

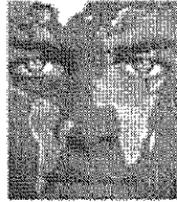
Foxwoods and Mohegan Sun are currently the only places in the state allowed to have slot machines, and the state receives 25 percent of the revenue. The tribes would have to be compensated for allowing slot machines in these locations.

Presently, the casinos have generated 6.5 billion in revenue for the State since they opened. It's vital that we act now in order to save them.

Failure to take action will leave our casinos increasingly vulnerable to increased competition from neighboring states. The casinos have been hard hit by New York's decision to add video lottery terminals to the Aqueduct Racetrack and Empire City Casino at Yonkers Raceway and Massachusetts approval of MGM will devastate Bradley Theater and impact out two existing Tribal Casinos.

The facts are that Fairfield residents are making the 30-minute trip to Aqueduct and Yonkers to play slots instead of driving 2 hours or more to Foxwoods or Mohegan Sun. Already slot revenue that the state receives from Mohegan and Foxwoods is down \$40 million last year from \$330 million to \$290 million. By comparison in 2006 Connecticut received \$430 million from slot machines. When MGM opens the erosion will continue and if there is inaction taken by this general assembly it will only get worse.

This is not about promoting or expanding gambling opportunities; it's about the fight the state is forced to wage with neighboring states for gaming dollars. This is no different than the fight for tourism



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dollars. Other states are taking the fight to Connecticut. We need to protect what we have and keep Connecticut dollars in Connecticut. We are not expanding gambling, in fact there are many slot machines off line. Let me be specific there are less slot machines in use today than there were in 2006. Therefore, you cannot expand something that has been decreased. We are simply retooling our industry so that we can bring it back to our "Hay-day", to be competitive in a hostile environment and enhance a gaming industry that has made our state proud.

New York is already winning the battle against us, and soon Massachusetts and Rhode Island will be waging fight with their brand new casinos. Foxwoods and Mohegan Sun will soon be surrounded, and we must act to protect them.

For those critics who argue that the promotion of gambling under any circumstances is wrong, they need to realize that gambling is nothing new to the state. For the past four decades Connecticut has been a gaming state beginning with jai alai, lottery, bingo and most recently casinos.

The most important thing that we need to remember today is that no action means less revenue for the state, and the loss of thousands and thousands of jobs in our casino industry. This General Assembly and Governor Malloy have spent millions of dollars to protect jobs at UTC and many other high tech facilities in this state. Let me tell you, the Governor and all who may be listening, these jobs matter.

It's vital that any proposal to add slot machines be done in a transparent manner where the public will have several opportunities to weigh in on the proposal. There will be no backdoor dealings; it will all be out in the open. This has the potential to be a win-win for the State of Connecticut and it's taxpayers.

Sincerely,

James A. Amann
State House Speaker Emeritus
Managing Partner of International Government Strategies, LLC