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Verrengia

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Genga, Gonzales, Hall,  
Hayes, Morin, Serra,  
Smith, Simmons, Vail

REP. VERRENGIA (20TH): Good Morning, Everyone and welcome to Tuesday, March 3rd Public Safety and Security Meeting Public Hearing. We have a lot of speakers signed up but before I get into that, I just want to defer to the Clerk for an announcement.

CLERK: In the interest of safety I would ask that you note the location of and access to the exits of this hearing room. The two doors through which you entered the room are the emergency exits and are marked with exit signs. In an emergency, the two doors behind the Legislators can also be used. In the event of an emergency please walk quickly to the nearest exit. After exiting the room go to your left and exit the building by the main entrance or follow the exit signs to one of the other exits. Please quickly exit the building and follow any instructions from the Capital Police. Do not delay and do not return unless and until you are advised that it is safe to do so. In the event of a lockdown announcement please remain in the Hearing Room, stay away from the exit doors and seek

concealment behind desks and chairs until an "All Clear" announcement is heard. Thank you all for being here.

REP. VERRENGIA (20TH): Okay, thank you for that announcement. Are there any comments by the Chairs? No, okay. So that the public knows today we will be working off two lists. The first list is for Legislators, agency heads and municipal leaders. We will reserve the first hour for them and then followed by the members of the public, we will go back and forth. We will have a time limit of three minutes for each speaker and I would ask that you adhere to those limits. We also have a timer, is the timer in the house? Okay so we'll get right to it. First up is Mayor Joe Ganim, City of Bridgeport. Good Morning, Mayor.

MAYOR GANIM: Thank you for your time and the opportunity to be here and speak to you, Members of the Committee and in general I will be brief but I didn't want to miss the opportunity certainly to voice my support for the opportunity of some of legislation that is in front of you today specially that might authorize a gaming as part of entertainment complex in the City of Bridgeport, certainly the city I am the Mayor of, Connecticut's largest city.

I will preface by saying that I know our legislative delegation in part and in whole will be here to testify Senator on behalf I think in support of the concept of again, the possibility of legislation that may site a casino, jobs, opportunity and revenue opportunity for the City and for the State in the City of Bridgeport. Our city council president was going to join me today but I feel

comfortable representing on behalf of the city council that they also support the concept of what is presented specifically in SB-21 about a gaming facility tied to the legislation for the State of Connecticut located in the City of Bridgeport. The President of the Bridgeport Regional Business Council I think is submitting written testimony.

So what am I saying? The backdrop is at least locally in Bridgeport, in our city, and we've been at this some of us for years, some of us for decades. I talked about the concept of a waterfront development, entertainment complex that includes the opportunity to expand gaming in the State of Connecticut and Bridgeport is welcome in the City of Bridgeport. I will tell you having gone back; I'm looking around, I don't know who was around in the early 90s, a few of us here but not many. I saw Richie Balducci when he was speaker of the house but, you know, this concept of gaming, in the early 90s when the governor, Governor Weikart at the time, changed the playing field in Connecticut by signing the Compact, who really I think moved forward Connecticut different than every-other-state and every other venue.

We have existing partners in the State of Connecticut. They are one of our largest employers, they are a proven model that works, that has distributed in partnership, I think billions of dollars to the State of Connecticut. Now whether we liked that compact the governor signed it or not, it changed the game in Connecticut. It has produced thousands of jobs in Connecticut in an area that didn't have 'em and distributed funds to needed communities but specifically cities, urban centers.

I think that was the premise, the policy upon which along with the, you know, the entanglement of what was right and wrong as far as gaming laws that prompted the Governor.

But since then and now its 30 years since, technology has changed and I think we have to play catch-up with other communities. At that time we weren't given an opportunity at least in Bridgeport to possibly have the jobs that could be propelled from that type of investment in the city. And the city has come a long way. We have huge and I think exciting development along our waterfront now, Live Nation the premier entertainment company maybe in the world is part of the future along with other employers and companies. But we think this can be a great addition. And I'll keep it short cause I just heard the bell went off and see if there's any questions. But I wanted again say, we support that, I've asked our legislative delegations to support this and this Committee to support it and certainly as it affects Bridgeport and revenue sharing throughout the State of Connecticut I support it and would be happy to answer any questions.

REP. VERRENGIA (20TH): Are there any questions?  
Senator Osten.

SENATOR OSTEN (19TH): Thank you very much, Mayor. I appreciate your leadership in Bridgeport and I appreciate you allowing me to come down and meet with you and talk about this concept that I believe will provide Bridgeport with a part in a first step on revitalizing a section that you've been working on for a very long time. Has there been any other Bill submitted this legislative session or other legislation sessions that looks at revenue sharing

with cities and towns across Connecticut that you're aware of in the fashion that this Bill does?

MAYOR GANIM: No, and Senator thank you for your leadership on this as well. Through our discussions I learned as you say, this Bill does provide, I think additional revenue sharing not only for districts everyone around this table maybe throughout the State. Certainly we all like more for our districts or our communities or our cities and I can sit here and tell ya, gee I wish you'd frame more for urban centers which I do believe but it's a Bill that I think addresses the concerns and maybe hopefully can gain the support of legislators throughout the State because it helps people throughout the State as well does what we like to see happen in Connecticut's largest City in Bridgeport.

SENATOR OSTEN (19TH): And having a real construction on the sites that you're looking at, I believe would be a benefit to Bridgeport and the region down there to provide some decent paying jobs and utilize an area that certainly has a lot of potential.

MAYOR GANIM: And I've talked to private investors and I've reached out even as I mentioned Live Nation and others. And I think they're waiting as this would be an additional catalyst for the Waterfront, Southwestern Connecticut, Bridgeport specifically, sites to be determined that would bring in hundreds of millions of dollars of additional private investment. We are ready, willing and able with other levels of government to make the public investment that would be needed to see this build out along with the stuff that we have going there

with the amphitheater, with our theater development, with our Steel Point Development, waterfront and so on. So in this short period of time it would be hard for me to kind of put that visual out there.

But I can tell you that I'm excited about it. It is not the end all, you know, save all for the city. It is an addition to what we're doing and I think it would be exciting and will benefit the entire State.

SENATOR OSTEN (19TH): I could talk with you an awful lot about development down the Bridgeport area. I stand ready to support you in development in the Bridgeport area. I think that it would an asset for us to have additional train station down there and some additional housing and other ways for us to bring real business to Bridgeport and anytime you want to invite me to Bridgeport, I'll take the drive from the tiny little town of Sprague. Thank you. Through you, Mr. Chair.

REP. VERRENGIA (20TH): Representative Sredzinski.

REP. SREDZINSKI (112TH): Thank you, Mr. Chair. Thank you, Mayor for being here for making the drive up. Couple of questions on Senate Bill 21. In Section (5), it says that "a tribally owned company is authorized to operate," would you like to see the language strengthened so that it would be a mandatory investment?

MAYOR GANIM: Yes. I think that we've had discussions about that. I think it is important that whether it is in the language or in a supplemental agreement that there is strong language in there and I think Senator Osten is familiar with that, so I would like it up to kind of Legislature to figure out what that is. I think we've had that

discussion with the Tribes and I think Legislators are aware that would be helpful.

REP. SREDZINSKI (112TH): That is one of the concerns I have is that it says, "authorized to construct" and obviously you can authorize anyone to do anything, it doesn't force them or, you know, or compel them or "shall" would be better in my opinion. This same section talks about an investment of minimum of \$100 million dollars. Do you feel that that is a low enough bar or do you feel it should be higher?

MAYOR GANIM: Well in fairness to discussions, that was the number that came out but it was packaged with private investment and the ability to get support to and that was kind of not incorporated, some of that I don't know if it was incorporated to the extent in the Bill. So here's the way I look at it. I look at it as, there was a point in time where we were all oohed and I can go back years or even just a couple of sessions ago about \$900 million, a billion dollars all these big numbers. Certainly the playing field has changed and so as much of what I may want or think is right, is not the same as what a market study and the changing involvement with additional opportunities for gaming throughout, certainly not New England and beyond. So I think it is going to be dictated by the market. I don't want to have something overbuilt although I would like a big structure because it pays more taxes and increases more jobs, that doesn't work.

I don't know what that number is but I think we came to at least \$100 million, I'm hoping when we get to the end of the day it is much more than that but I wouldn't want to blow it up over, blow up, or change

what's kind of been at least a minimum floor to what will be an investment, again coupled with private investment. I think how that is shaped, I would like to see the \$100 million dollars focus on the gaming facility so the additional hotels, parking, you know, is not included in those numbers so when you really roll it out, you are talking about hundreds of millions of dollars of investment, job opportunities, tax based growth and revenue through this gaming and other facilities to the State, sales tax and that as well.

REP. SREDZINSKI (112TH): Thank you and that actually lead me to my next question. What is your vision as the Mayor of the City of Bridgeport, what is your vision for this casino facility?

MAYOR GANIM: I think it is an adjunct, it is an addition to. If you know now that we have, and I'd love to invite you down, as the Senator has kindly taken the opportunity to come down to at least discuss, Live Nation is partnered with, I think is going to premier and outdoor amphitheater in the City of Bridgeport where the ballpark was. We had a 20 year run with a ball team. Next to it is the arena which is a state of the art facility. Just across the water's Steel Point has spent over \$100 million dollars in waterfront development on that peninsula. We have the decommissioning of the last coal plant in the State of Connecticut which will make another 50 acres open on Bridgeport's waterfront and then you have the old directors site there as well. This \$400 million dollars [static interference] and the theatre is going up and additional development throughout the City. There's one piece, but I've heard from private investment

that what would help is a catalyst to accelerate I think further investment along Bridgeport' Waterfront tied to its downtown.

Senator Osten mentioned our train stations, those are critically important transportation elements for the State of Connecticut. We want to play a role in that. The airport located at Sikorsky is primed for expansion with a private operator. These pieces are not 10 years away or 20 years away and they are gonna happen, I hope, sooner. They are gonna happen but I also hope they're gonna happen with this as a catalyst that will bring further excitement to the City of Bridgeport. It's a piece, I think and exciting piece of what were doing on the waterfront down in Bridgeport. Hope that you will support it.

REP. SREDZINSKI (112TH): Thank you, as someone from the area, I work for the Town of Stratford, so I'm right next door, very familiar with the opportunities that do exist in that part of Bridgeport and I hope to see, you know, plenty of development happen over the next few years. But one of the parts of the Bill talks about facilities, entertainment zone facilities in Hartford, New Haven and elsewhere in the State. Do you feel as if that Bridgeport would be facing with more competition based on that and if that is too much of a market saturation for Connecticut?

MAYOR GANIM: You know, lack of expertise on the answer but I would say no and if those communities are supportive of that and the Legislature supports it, I'm supportive of it as well. I think it could be an opportunity for the other cities and I'm always supportive of that, I don't think it does. I think the market is gonna shake out like it does on

everything else, so I support what any of those communities want. If their Legislators and their Mayors want that then I support it as well.

REP. SREDZINSKI (112TH): Thank you very much for your answers and again thank you for coming. Thank you, Mr. Chair.

REP. VERRENGIA (20TH): Thank you. Any other questions? Seeing none, thank you. Next up is Senator Heather Somers. Okay, I don't see her. Mr. Smith from the Connecticut Lottery.

GREGORY SMITH: Good Morning Chairs and Members of the Public Safety and Security Committee. My name is Greg Smith, and I'm the President of the Connecticut Lottery Corporation. I am speaking in support of the Lottery as an operator under House Bill 5168, AN ACT AUTHORIZING SPORTS WAGERING IN THE STATE, and in support of the concept of the Lottery selling some of its games online as contemplated in House Bill 5189.

Regarding sports betting, we have always thought that having multiple operators in Connecticut was the best plan thinking of both casinos and Sportech, alongside the Connecticut Lottery. Connecticut Lottery is an ideal sports betting operator for this state and the revenue potential sports betting offers to the State is significant, but only if the Lottery is substantially involved.

One of the State's goals will be to bring all current sports betting into the daylight. We know that online sales will grow easily, as they have in each state so far. But there will be plenty of people who do not want to drive far to place their \$5 dollar or \$10 dollar bet on their game, and also

who also don't want to set up an account to play online. Their comfort zone and preference is to go to a local business to place their small bet with people they know. This is not suggesting we will have thousands of locations like the lottery has. Our suggestion is a licensed location in each town. In person wagering should be approximately 25 percent of our sales and without this ease of access fewer sales will occur. We will be leaving some of money some betting to continue unregulated, in the shadows - through bookies or unregulated sites.

Sales results from states like New Jersey show that Connecticut could see sales approaching \$1 billion dollars annually after a few years of operation. Our estimates indicate that we will return in excess of \$25 million dollars annually to the State, and that will grow each year. Because we will return all of the proceeds back to the State, the amount will be many times more than any other operator, per dollar wager. Again, that is all profits back to the State, not just a tax on net income like that proposed for casinos or commercial operators. We have shared our realistic projections for total sales, payouts to winners, and profits to the State with many legislators, and within the Administration. But we have yet to see any projections from other potential operators and believe it's because theirs would pale in comparison to ours.

Additionally, we appreciate that this Bill contemplates the Lottery as an online operator. Sports betting is successfully run side-by-side with state or national lotteries in about 70% of jurisdictions worldwide. And in the US, Oregon,

Delaware, Washington DC, New Hampshire, Illinois, Montana, and Tennessee are all either operating or will soon be selling sports betting. We are prepared to offer a world-class sportsbook by partnering with an experienced and successful sportsbook operator the same companies who are talking to the casinos and Sportech.

Regarding the internet lottery Bill. The Connecticut Lottery needs to male some of its products online. There are approximately 12 lotteries selling some or all of their products and that number grows each year. Every state lottery that has begun selling lottery products online has seen growth online and in retail, meaning no cannibalization of our brick-and-mortar sales. No lottery that sells online has experienced a drop in retail lottery sales. Some of those lotteries are actually the fastest growing leading to greater commissions for the retailers. Selling online has resulted in adding more and new players who not only play online but they go to retail through cross-channel promotion or natural shopping choices.

You may be aware that, following a comprehensive study of the feasibility of internet lottery that was ordered in last year's budget bill, the Governor's Office has proposed iLottery for draw games only. Think Powerball and Lotto not instant games. This concept lives in Senate Bill 8, incorporating the Governor's budget recommendations. The language in that section has undergone review by the Governor's Office, our regulator, and the Attorney General's Office. We estimate that the State will receive approximately \$45 million dollars in new General Fund returns over the first 5 years

of sales. That language is replete with responsible gambling controls that far eclipse our abilities at retail. If authorized, I am confident we can execute this program, and would respectfully ask this Committee to consider the very measured language in Senate Bill 8.

Lastly, our status as quasi enables us to be more nimble and efficient in our business operation, while under regulation of the Department of Consumer Protection. Converting us to an agency would remove those features and remove the legislature's current board appointments six of our 13, and likely our direct accountability to you. So, thank you for your time the opportunity to testify before you today. I'm happy to answer any of your questions.

REP. VERRENGIA (20TH): Thank you. Any questions?  
Representative Sredzinski:

REP. SREDZINSKI (112TH): Thank you, Mr. Smith for being here. In the past we've had proposals from the Lottery Corporation to do the draw games. As you mentioned in Senate Bill 8, the Governor's budget implementer Bill it does provide that in the budget implementer. But the Bill before us includes the instant scratch-off if you will as well. Is that correct?

GREGORY SMITH: I am going to defer to one of my colleagues who is here. Yes, it does but I think the idea that you would think about for that is that is for the Legislature to determine but we are not pushing for that. We do show that so that you can understand the potential volume of return that could come but we are not saying that is the only way it could move forward.

REP. SREDZINSKI (112TH): So if the Governor's budget Bill goes forward then the Connecticut Lottery will begin to do online draw games and for those of you not familiar, draw games are the Power Ball, Classic Lotto, Play4, Play3 those types of things. Is that correct.

GREGORY SMITH: That is correct.

REP. SREDZINSKI (112TH): So if the Governor's Bill doesn't change and the budget implementer Senate Bill 8 gets passed as is, Connecticut Lottery will be authorized to expand to online sales. Correct?

GREGORY SMITH: That is correct.

REP. SREDZINSKI (112TH): But with this Bill, this allows for instant scratch-offs to also be available online? Correct?

GREGORY SMITH: Yes.

REP. SREDZINSKI (112TH): And the only other question I have for you was, there is an amount of \$2.8 million dollars each fiscal year in this Bill, new language, so \$2.8 million dollars per year being sent to the Chronic Gamblers Treatment Rehabilitation Account. Do you know who came up with that number?

GREGORY SMITH: We are not familiar with that exact calculation. Currently we bring forward \$2.3 million dollars to help with problem gambling services in the State and so my assumption is that is an escalation of that value.

REP. SREDZINSKI (112TH): So the \$500,000 dollars more per year was because of the extra revenue from

these mobile and online scratch off tickets.  
Correct.

GREGORY SMITH: That would be, I think that is a fair assumption.

REP. SREDZINSKI (112TH): Okay thank you for your time. Thank you, Mr. Chair.

REP. VERRENGIA (20TH): Any other questions? Just a quick question. I think I asked it not too long ago, in your business model how many locations are considered to get to the number you mentioned earlier?

GREGORY SMITH: Thinking the retail?

REP. VERRENGIA (20TH): Yes.

GREGORY SMITH: So we have brought forth our estimate based on having somewhere between 100 and 200 locations and that fits into our kind of mental image we say, one in every town, trying to keep it easily accessible for people who are not interested in driving a greater distance or through a lot of traffic and that they are gonna feel comfortable having their exchange with somebody in their town or at a business in their town. It could also be a nice revue enhancement for each of the local facilities in those towns.

REP. VERRENGIA (20TH): Okay. All right. And that also includes the online operation as well? Say that piece again.

GREGORY SMITH: Our projections would include full statewide online operation in addition to those retail assumptions.

REP. VERRENGIA (20TH): All right, thanks. Senator Bradley.

SENATOR BRADLEY (23RD): Thank you, sir for being here. Just a quick question, would you agree with me that sports betting unlike other traditional lottery games poses a greater risk?

GREGORY SMITH: For?

SENATOR BRADLEY (23RD): In the sense that the payouts that you might have to pay for sports betting could possibly bankrupt the State or could possibly bankrupt an organization if the spread isn't quite what people projected it to be?

GREGORY SMITH: I think what you might be referring to, and tell me if I am correct, is that if there is a particular match where the payout exceeds what the bets that have been placed occurs. Is that?

SENATOR BRADLEY (23RD): Correct.

GREGORY SMITH: Okay, so that happens regularly in the gaming business and I think the assumption you're going with, or not the assumption but maybe the picture you're drawing is that would happen with very game played, then yes that is a possible outcome for whoever does it. Today we offer daily number games, think Play3 all right. We might have a drawing that causes our prize expense to exceed our bets on that play of that day and it has happened to us, it happens to us regularly each year but it in no way jeopardizes our financial condition. It actually causes so, it allows us to still return the numbers that we do to the State which lead the gambling proceeds to the State.

SENATOR BRADLEY (23RD): Would you say that sports betting presents more volatility, that could happen with more frequency in the sports betting arena?

GREGORY SMITH: I wouldn't bring that forward as any more likely to occur compared to lottery game operations at all because each of the operators in sports betting will be bringing forward a book that provides the different betting opportunities in each of the sports that are allowed to be offered. So it will be well-balanced so if the thought is whether Lottery would be more greatly exposed compared to another operator, we'd be talking to the same betting operators who are highly experience, you know, recently in the U.S. and significantly worldwide so I think that risk is small.

SENATOR BRADLEY (23RD): Okay, thank you.

REP. VERRENGIA (20TH): Any other questions? Seeing none, thank you. Up next, I'm going to invite two tribal partners to come up together as was requested. Good Morning and welcome. If you just identify yourselves please.

RODNEY BUTLER: Chairman Bradley, Senator Osten and Chairman Verrengia and Sredzinski and Honorable Members of the Committee, the attested Rodney Butler, Chairman of the Mashantucket Pequot Tribe and Former Acting CEO of Foxwoods Casino. [Greeting in Native dialect]. Thank you all for being here.

I'd like to begin and state for the record our Nation's unequivocal support for SB 21 The Connecticut Jobs and Revenue Act. I'd also like to those policymakers that worked together in a bicameral and bipartisan fashion over the interim to craft this piece of Legislation. We deeply

appreciate all of the time and energy that went into bringing this Bill forward.

As currently drafted SB 21 directs Governor Lamont to negotiate and amend the existing Tribal compacts or in terms that are understand around this table, contracts by October 1st to allow the following:

Retail and online sports operated by the Tribes.

Retails sports betting in entertainment zones including Hartford and New Haven and an additional municipality to be identified.

Establishes a gross gaming tax rate of 10 percent of I-gaming and 8 percent on sports betting.

Establishes a Bridgeport casino venue with a minimum investment of \$100 million dollars.

Authorizes I-Keno.

Provides for the sale of I-Lottery draw games through the internet, online and mobile.

Extending the deadline for serving liquor hours in casinos from 2:00 a.m. to 4:00 a.m.

Increasing the Pequot Fund distribution to municipalities by \$88 million dollars bringing the current funding from \$51 million to \$139 million dollars to be distributed annually to all 169 towns and municipalities in Connecticut.

To highlight a few of those that means \$14.6 million dollars for Bridgeport, \$17 million dollars for Hartford, \$14 million dollars to New Haven, \$2.25 million dollars Newtown, \$1.4 million dollars to Manchester, \$1 million dollars to West Hartford, \$700,000 thousand dollars to East Hartford, \$498,000 dollars to the smaller towns like Brooklyn, \$282,000 dollars to Southington, \$253,000 dollars incremental to Plainfield.

In addition, if funds remain, will allow for providing additional grants of \$750,000 each annually to Bridgeport, East Hartford, Ellington, Enfield, Hartford, Norwalk, South Windsor, Waterbury, West Hartford, Windsor and Windsor Locks. And additional impact fund to municipalities surrounding both casino facilities.

In partnership with the Connecticut Council of Problem Gambling this Bill extends the requirement that the Department of Consumer Protection but within available resources inform the public about programs designed to prevent, treat and rehabilitate compulsive gamblers. It extend the requirement that the State Department of Mental Health and Addiction Service must establish a program for the treatment and rehabilitation of compulsive gamblers.

As it relates to the current national landscape on sports betting, in the 21 jurisdictions that have legalized sports betting 18 authorize casinos to be the operators including 12 states where casinos are the only operators. The three remaining jurisdictions do not have commercial casino gaming. Every state with tribal casinos with the exception of Montana because they have a small tribal gaming population has authorized instate casinos to operate sports betting. In New Mexico, North Carolina and soon to be Washington State, tribes are the exclusive operators because of the preexisting exclusive agreements to operate gaming in those states. Connecticut should follow their lead. Of the 12 jurisdictions that have approved only five had allowed participation by the Lottery because of unique circumstance whereby either the casino did not exist or the casinos were already operating

through the Lottery. None of the states authorizing sports betting around the country have authorized OTBs to operate sports betting in those states.

We fully appreciate that SB 21 is in need of further amendments and we have committed to a fair and collaborative negotiating process from the beginning to address issues raised by the Governor, raised by the Legislature, municipalities and key stakeholders. Another example of that is our understanding from recent discussion that there are concerns with sports betting on instate collegiate games and require further safeguards around the extension of liquor hours. We are prepared to support such modification as we have over the past year in these negotiations.

Likewise as we have in the past, we remain committed to working with the Connecticut Council on Problem Gambling to realize their objectives. Collaboration and flexibility is how good legislation is crafted not a take-it or leave-it demands process that some are attempting to do in this room and beyond. My ancestors have experienced that approach and we know the outcome of that and we are not going to let that happen again.

To touch upon a couple of issues that receive particular focus during the last hearing I would like to state the following:

We are committed to moving forward with East Windsor. We have \$20 million dollars already invested in the project and no one would like to see a return on investment more than us. We have been pushed by the Governor and some Legislators to walk away from the project and we haven't. That should

tell you all you need to know about our commitment to this State.

Two, in terms of a timetable for build, it is not unusual for these types of projects to be delayed. It took MGM five years to build their facility in Springfield. Simply put, we can't put a shovel in the ground until we have zoning approval. I am pleased to say that we have the full support of both the local and state delegation in resolving these issues as quickly as possible.

Three, as you know from our previous testimony we maintain that sports betting falls within our current exclusivity agreement with the State as a Class III Game. And while we appreciate that maybe a bone of contention for some, our position on that accord will not change. Our position is further substantiated by the recent guidance issued by the Indian Gaming Regulatory Commission on January 29th, 2020 confirming sports betting as a Class III Casino game. Absent an agreement between the Tribes, the Governor and the General Assembly it will be the Courts and Federal Agencies that finally decide the matter which we don't believe is in anyone's best interest. We understand that there are concerns about litigation whatever path the State chooses to take but that does not justify inaction. SB 21 offers the State substantial protection from lawsuit as it arises directly out of the Tribal State Agreements entered into pursuant to the Indian Gaming Regulatory Act and approved by the Secretary of the United States Department of the Interior.

In some of the competing Bills under consideration by the Committee, if the Committee were to emerge, Connecticut would stand to lose approximately \$250

million dollars in exchange for \$10, 15, 25 million dollars as expressed earlier. That is a hard equation to reconcile. Exclusivity in layman's terms means that if the State embarks on any new gaming initiative it must be done in the context of the agreement with the Tribes and that can be accomplished fairly easily and without a lot of controversy as evidenced by the adoption of Keno that is generating successful amount of revenue for the State of Connecticut.

Lastly I want to touch on a question of cannabis that quite surprisingly in the last hearing. If it is the will of the Legislature to legal adult use cannabis we simply ask that Connecticut adopt the standards used in Washington State, Oregon and Nevada whereby the states and the Tribe under into compacts relating to cannabis production and sales. We believe these compacts will facilitate and promote cooperative and mutually beneficial relationship between the State and the Tribes, enhancing public health and safety, ensuring a full and well-regulate marijuana market just as the State has expressed interest in working with surrounding states regarding marijuana legislation, it would be mutually beneficial for the State and interested Tribes to partner to create a cohesive regulatory structure.

I want to end my comments today by saying that I am here today, my executive team is here today, not because we want to work against you, because we want to work with you as we have collaboratively for the last 30 years. Speaking on behalf of the Mashantucket we stand ready to continue our dialogue with the Governor, with Legislative leadership and

any individual caucus upon request. Like many of you, we believe 2020 is a year to move forward and SB 21 does just that. We respectfully ask for your support of its passage. [Native dialogue].

RAY PINEAULT: Thank you, Mr. Chairman, Good Morning and thank you Chairmen Bradley and Verrengia, Ranking Member Sredzinski and Members of the Public Safety and Security Committee. My name is Ray Pineault and I am the Regional President from Mohegan Gaming and Entertainment. In this position I am responsible for overseeing the operations of Mohegan Sun of Connecticut, Mohegan Sun of Pokeno and Paragon Resort and Casino in Marksville, Louisiana. In my 15 years at Mohegan Sun Connecticut I have served as Senior Vice-President of Casino Operations, Executive Vice-President and COO and President and General Manager of Mohegan Sun. This past December I was promoted to my current corporate position with MGE. I am also a proud member of the Mohegan Tribe and a graduate of the University of Connecticut. Connecticut is the home and the home of our Tribe.

I am here today on behalf of Mohegan Tribal Chairman James Gessner, who unfortunately is attending to business at our other properties and was unable to attend this hearing. Joining me at today's hearing are my colleagues Chuck Bunnell, Chief of Staff of the Mohegan Tribe, Anthony Casdia, Senior Vice President Strategy/Corporate Operations, Mohegan Gaming & Entertainment, Aviram Alroy, Vice President of Interactive Gaming/Internet Gaming, Mohegan Gaming & Entertainment, and David A. Rome, Vice President, General Counsel of Business Development & Compliance, Mohegan Gaming & Entertainment.

We appreciate the opportunity to appear before you today to offer our strong support for SB 21, this comprehensive gaming legislation is intended to once again make Connecticut a leader in gaming and entertainment. This legislation will allow Connecticut's two world class casinos to compete with our neighbors who have access to all these entertainment options. I want to thank Senator Osten and legislators from southeastern Connecticut who have reached out and worked with others around the State to protect and grow Connecticut jobs.

We are proud of the work we do at MGE both here in Connecticut and around the world, as some of you know, MGE has grown into an international player in the gaming and entertainment market and we are on the way to becoming the world's leading integrated entertainment resort developer. We currently operate or manage five casino entertainment facilities in the U.S., which will grow to six when we become the first Native American Tribe to operate a casino in the Las Vegas Strip corridor with our partners, Virgin Hotels Las Vegas which will open in the fall of 2020. Just last week we were visited by a team of regulators from Nevada who are in the process of an extensive background check process for our new license in Nevada. That license will allow our Tribe to be the first Native American Tribe to operate a casino on the Las Vegas strip corridor. Our homegrown expertise and skills have made us a sought after gaming and entertainment manager and partner with communities and regulators throughout the world.

Our international operations started when we won the bid for our Inspire Casino we are building in Seoul,

South Korea, followed by long-term to operate two casinos in Niagara Falls, Ontario, for the Ontario Bureau of Government. We are currently pleased to be the final candidate in the public procurement process to redevelop a former airport site in in Athens, Greece into an integrated resort/casino Aspire Athens.

The last few years have seen amazing success for Mohegan Gaming and Entertainment, where we now employ roughly 20,000 team members worldwide. Despite all the global excitement and success Connecticut remains our home. Our Tribe, our tribal members, and our families are invested in Connecticut. Our commitment to our friends, our communities, our State, and our partners will not waiver unlike other corporate gaming entertainment companies.

Mohegan Sun Connecticut is our flagship entertainment facility and we are proud to once again take home a 1st place ranking for "Best Casino Hotel" in the *2019 USA Today's 10 Best Readers' Choice Awards*. Mohegan Sun has now been named "Best Casino Hotel" and 10 Best Readers' Choice Awards in back-to-back years. At Mohegan Sun, we strive for excellence when it comes to guest satisfaction, resort property cleanliness, providing top-notch amenities, and staying ahead of the curve throughout all of our incredible offerings from gaming and entertainment to dining and nightlife and so much more.

Three weeks ago, we were honored to learn that Mohegan Sun was recognized by *Fortune Magazine* for their "100 Best Workplaces for Diversity," ranking sixth on the list with 48% female team members, 13%

with a disability, and 49% identified as minorities. These are examples of our commitment to being strong partners for the State of Connecticut and its communities.

As you are aware, there has been a lot of talk about the decline and saturation of the Northeast gaming market and that may be true for companies that are just focused on gaming, but as you may have noticed we have entertainment in our name. Some of you may have seen the recent article in *New London Day* with the headline "*Mohegan Gaming reaping benefits of diversification*". *The New London Day* accurately reported MGE's net revenues of \$399.1 million dollars in the quarter, a 24.9% increase over the same period in the previous year. None of this success can happen without great partners and strong relationships. Our partnership with the State of Connecticut has benefitted both the state and our Tribe.

It must be noted that the exclusivity agreements between the Mohegan and Mashantucket Pequot Tribes and the State of Connecticut provide for the highest percentage of revenue sharing of the 193 Tribal Compacts in the country. This is a significant contribution that has totaled more than \$8 billion dollars over the past two decades, and it is one that the Mohegan and Mashantucket Pequots continue to make per our agreements, and we do so proudly.

Per these agreements, the Mohegan and Mashantucket Pequot Tribes hold the sole right to conduct casino games in Connecticut, and Mohegan Sun and Foxwoods in exchange contribute 25% of their slot revenue to the State of Connecticut. These millions of dollars then go to cities and towns through the Mashantucket

Pequot and Mohegan Fund and other critical programs that improve education, public health, infrastructure and other areas of our state that you choose to fund.

These long-standing agreements, that have been held sacred during good times and bad by multiple legislatures, multiple Governors, multiple State Attorneys General, and multiple Tribal Leaders, form the foundation of our partnership.

Again we urge you to support SB 21 and allow Connecticut's partners and two world class casinos to do what we do best and compete in the gaming entertainment market. Thank you for your time.

REP. VERRENGIA (20TH): Thank you for your testimony. Are there any questions? Representative Sredzinski.

REP. SREDZINSKI (112TH): Thank you, Mr. Chair. Thank you Chairman Butler, Mr. Pineault for being here. In your opening remarks Chairman Butler I though you mentioned that the Governor's Office had tried talking you out of East Windsor. Was that correct or did I mishear you?

RODNEY BUTLER: That's correct.

REP. SREDZINSKI (112TH): Okay, did he or his office explain why they tried talking MMCT out of constructing East Windsor?

RODNEY BUTLER: It was his continued fear of litigation and the conversations he was having with MGMM at the time.

REP. SREDZINSKI (112TH): Understood. Again thank you for being here. I'm not going to spend a lot of

time. We talked quite a bit at the informational hearing and thank you for coming back and testifying in support of SB 21. Did the Department of Consumer Protection while not here today, did offer testimony and one of their concerns was on the licensing and that the Bill as drafted doesn't include any licensing and that would prohibit the State from bringing enforcement action. Can you speak to that a little bit, their concerns?

RODNEY BUTLER: I'm not familiar with their concerns. George of Jerry? George Henningsen is our Chairman of our Gaming Commission. But certainly would be willing to work with you to resolve those concerns.

GEORGE HENNINGSEN: I think the short answer is obviously anybody that got involved in that aspect of the gaming would have to be licensed through the State. And I'm assuming that because in order to do what we've been talking about in terms of both any expansion at Foxwoods of sports betting or at Mohegans or MCT, there is an elaborate regulatory framework already discussed by both DCP and the Tribes as MMCT. In terms of what we currently do there is a licensing process in place that would license anyone who is involved in gaming in anyway both vendors who were involved in supplying equipment as well as those, our employees, if you will who are involved actively on the gaming floor.

REP. SREDZINSKI (112TH): Understood, so your understand is that if this Bill were to move forward it would automatically some sort of licensing through the Department of Consumer Protection to make sure those protections were in place.

GEORGE HENNINGSEN: Correct.

REP. SREDZINSKI (112TH): Okay, thank you very much. Thank you all for being here.

GEORGE HENNINGSEN: And that is certainly what we would want.

REP. SREDZINSKI (112TH): Thank you. Thank you, Mr. Chair.

REP. VERRENGIA (20TH): Thank you, Representative. Representative Hall.

REP. HALL (7TH): Thank you, Mr. Chair. Welcome to you both for being here today, thank you. Just a very quick question. You were here just a short time ago, I am just wondering if the application process that you have to go through for East Windsor and has the reapplication for the zoning been filed yet and if it hasn't when do you anticipate that going forward?

RODNEY BUTLER: Call up the Attorney that is leading the rezoning effort Jared Baumgart our Associate Legal Counsel from Mashantucket.

JARED BAUMGART: Good Morning or Afternoon, wherever we are. So we have started working on that. As we had talked about that a little bit at the Informational Hearing there is legwork that needs to be done before we can actually submit something. So we need to rework the zoning regulations to take care of the two issues that were raised in that court case, the first one being with respect to some of the alcohol setback and then the second one being with the highway interchange zone and shoring up some of the supposed ambiguities in that. So we are working with Town of East Windsor on getting that

ready to go and hope to, you know, start moving the public pieces of that shortly.

REP. HALL (7TH): So you're reapplication has been filed or it hasn't been filed officially yet?

JARED BAUMGART: Has not been filed yet. We need to change the zoning regulations in East Windsor.

REP. HALL (7TH): Okay and anticipated timeline?

JARED BAUMGART: you know, I would again, we have to move very deliberately on this and a little more slowly than we would like just because, you know, as we learned it has to be perfect, usually as you know, a zoning application it's not going to be combed over like that looking for stuff that might now be material to the project but nevertheless doesn't fit the letter of the regulations, you know, we can't do that obviously so, I think in the next few weeks we should have bundled up I would hope. You know, there are a few stages to this, there's some zone changes to some of the smaller parcels that we have up there that will probably be the first piece to move and also these changes to the zoning regulations. The one with the highway interchange zone that needs a little bit more of an overhaul so that one might be a little bit slower but we are working on it, a way to kind of move in parallel with those. And we can, you know, get that shovel in the ground as soon as we can.

REP. HALL (7TH): Well it sounds like you're making progress anyway. So thank you. Thank you for that answer. Thank you, Mr. Chairman.

REP. VERRENGIA (20TH): Senator Osten.

SENATOR OSTEN (19TH): Thank you, Mr. Chairman. Thank you both for coming up. You've been here I think probably a dozen times or maybe closer to two dozen times over the last four years to speak in front of this Committee on either informational hearings or at Public Hearings. You have spent time with every legislator who has a question. You've been in their offices I would figure there is 151 State Representatives and 36 Senators and so close to 200 people and I think you've visited with almost every one of them at one time or another each year that we've been up here doing this and you've met with the Executive Branch on multiple occasions although less so recently. So you put in an awful lot of time into doing this endeavor. Both of you have been real partners for the State of Connecticut and I think we're closer to \$9 billion dollars now that you've given the State of Connecticut. How much money has two of our largest businesses have you taken from State coffers?

RODNEY BUTLER: Zero.

SENATOR OSTEN (19TH): So that means you've gotten nothing from the State to operate two of the most successful businesses in the State, you're in the top 10 of employment, employers in the State, you've given us \$9 billion dollars. You must really love the State of Connecticut to give us that much money and I want to thank you for that, \$9 billion dollars and I'm glad that you love this State because I also love it. So, \$9 billion dollars, two of the top 10 employers in the State, I've looked at many of the Bills that are available this year. This is the only Bill that really does put construction workers back on jobs. Did you know that this was the only

Bill that is out there that's gonna put construction workers back to work?

RODNEY BUTLER: I was not aware of that.

SENATOR OSTEN (19TH): It is. I figured I'd let you know that because on top of giving us \$9 billion dollars being two of the top 10 employers in the State and never taking a dime from the State, I think that that is really fantastic that you also want to give our citizens good paying jobs.

REP. BUTLER (72ND): Senator of the \$3 billion dollars that we've invested at Mashantucket and the nearly \$3 billion dollars that Mohegan has invested at Mohegan we've enjoyed incredible relationships with the trades and continue to do so moving forward.

SENATOR OSTEN (19TH): I think that is really wonderful for people to understand that \$6 billion dollars' worth of work to the trades in this region, in Eastern Connecticut, but you've also done work outside of Eastern Connecticut with nonprofit world. Can you talk a little bit about how you have worked with the nonprofits communities around the State of Connecticut both of you?

RAY PINEAULT: I think that we pride ourselves at Mohegan and maybe something Chuck, he stepped out of the room, kind of leads our donations committee and supporting our communities and giving back to the communities, you know, just personally I sit on, you know, I sat on the Board for eight years on the National Council on Problem Gambling and I sit on the Board of the Cancer Foundation in Old Saybrook that is designed for solely giving back money to cancer patients in the State of Connecticut. The

Tribe gives back hundreds of thousands of dollars a year to the local community in the form of charities that help the people in Connecticut that are in need. So we are very proud of what we give back to the community and we think it is very important. We're engrained in this community and it is very important to be a part of it.

SENATOR OSTEN (19TH): And you live in the community to.

RAY PINEAULT: I do. I've lived in Connecticut my whole life.

SENATOR OSTEN (19TH): Chairman.

RODNEY BUTLER: I've been in the community my entire life and I was walking with the Mayor of West Hartford who's just an amazing individual and we were talking about the connection we both have UConn being both UConn graduates and she is in for a hearing related to the UConn Board, just, you know, talking about the similarities, she met her husband at UConn. I went to UConn with my wife who we went to high school together and we are Connecticut through and through. And as it relates on the charitable front as Ray pointed out, I mean we have been incredibly charitable because this is our State, these are our homelands and we want to see it, we want to make sure everything is reinvested in our surrounding communities because it lifts everyone. This weekend I was just jumping in the freezing water off of Long Island Sound to raise money for the Mystic Aquarium and so I don't know if anyone has ever done that before but [Laughter] I don't advise it but they certainly appreciate the

donations but we are constantly involved in the local communities in supporting and giving back.

SENATOR OSTEN (19TH): And both Tribes have been involved in both TVCCA and United Way and you gift your folks of the Gaming Institutions Gift Rooms for people to hold fundraisers to help support them, United Way, TVCCA a whole host of organizations.

RODNEY BUTLER: Rooms, show tickets, meals, I'm just rolling off of my second year as Chair of the United Way of Southeastern Connecticut. I've been on the board there for almost 15 years and we've had a Board Seat on the United Way of Southeastern Connecticut since Foxwood opened and again it goes back to being part of that community and that is where our employees, our extended family members are all at. The majority of them are in Southeastern Connecticut although they touch almost every municipalities in the State of Connecticut but that is where their home is and we have to make sure that is safe and secure foremost.

SENATOR OSTEN (19TH): Anymore to say on that piece of it, on other boards you might be on, other members of your Tribes are on?

RAY PINEAULT: To list all the boards that everyone is on is innumerable. In fact our Current General Manager of Mohegan Sun is on the Board, Rodney, of the United Way I think between our two organizations we are two of the largest contributors to the United Way in the entire State of Connecticut so we are also one of the largest contributors to the American Heart Association. We run events each year for the American Heart Association through Mohegan Sun and Mohegan Tribe. We contribute to cancer foundations

to the State of Connecticut. Our team members all contribute to Food Share through the United Way and Giving Back campaign. So I think that our record speaks for itself on charitable and giving back to the communities in the State of Connecticut.

SENATOR OSTEN (19TH): So I agree your record speaks for itself but I often think that people do not know your record and are not aware of how much you do for the State of Connecticut, for the people of Connecticut, the number of people that you, that work for you and the number of organizations that count on your support. As Chair of Appropriations, I just had a nonprofit for Parks in a City and their main supporter had cut off their funds, I think we're having a problem. [Laughter]. {Background conversation} Good although I think sometimes a little lullaby would sooth the.

RODNEY BUTLER: It was peaceful.

SENATOR OSTEN (19TH): To make everybody calm, easygoing but you have done so much for the State of Connecticut that I think people don't recognize it and I think sometimes people are not seeing great partners and, you know, I'm wondering what would you think if the State of Connecticut said to Electric Boat we really like Newport News better than you and we would like to invite them up to take over your jobs. Do you think that would be a wise move from the State of Connecticut?

RODNEY BUTLER: It would never happen. I mean nobody would think about it twice. It would just never happen.

SENATOR OSTEN (19TH): So I always wonder why people would think twice about replacing two partners who

have given us \$9 billion dollars, are two of the top employers in the State of Connecticut who provide more revenue than any other, any other corporation in the State of Connecticut come from these, the two of you and you keep afloat innumerable nonprofit organizations. I am kind of flummoxed by that, never understanding that. Again let's talk about employment for a little bit. So you employ thousands and thousands of people. As a matter of fact the last time I looked 140 different communities send workers between the two reservations and the gaming institutions. Do you have people that have worked for you the entire time that you've been in business?

RODNEY BUTLER: We absolutely do. We actually have a celebration every year to recognize the years of service of our employees and there are a couple of hundred that have been with us since day one. It's amazing.

RAY PINEAULT: I'm very proud to say that approximately 20 percent of our workforce has been with us since day one from the time we opened.

SENATOR OSTEN (19TH): And so, I think that is also fantastic. I mean I've worked for a lot of different jobs, I've worked in factories, I've worked for the State of Connecticut, I've worked in restaurants, I've worked every time I turn around there is another place I've worked. I don't know what that says about the different organizations that I've worked for but I haven't ever had a celebration for the years of work that I put in except for in my family business and then it was all family there. We had all of our birthdays and family celebrations because we weren't allowed to

take a day off. That's because my mother was one of those strong willed women that held people accountable and I remember the first day we took any time off was when we went to my dad's funeral. So that's, you know, that's sort of the kind of thing that you guys have, your workers are part of your family at least that's what I notice. Is that what you would say your workers are?

RODNEY BUTLER: One hundred percent.

RAY PINEAULT: I think we pride ourselves on, in both organizations, treating our team members right so that they want to stay with us and they are part of the family, part of the organization and we want to nurture and grow them.

SENATOR OSTEN (19TH): So the number of people that you have that are employed at your institutions, all you're asking for from the State of Connecticut is the authorization to do the work you do so well. Is that the main jest of what you are trying to get to?

RODNEY BUTLER: Yeah, it's simply to do that and extend upon the current fruitful relationship that we have with the State that we've had for 30 years, improved and invested in. Let's continue and expand that and be competitive. The same, you know, competitive approach that we're suggesting in other industries Connecticut should do that in the gaming industry. Massachusetts just came out with a Senate Bill two days ago that's moving forward sports betting right and they are providing it to three of the existing casino operators and they are trying to figure out how many online operators they're gonna have roughly five but they may have less than that. And so New Hampshire's moved forward and moved

forward swiftly. I had direct conversation with the Governor of New Hampshire. Rhode Island has moved forward, New York, New Jersey, Pennsylvania and we're still talking about it there years later.

SENATOR OSTEN (19TH): And you said, Chairman Butler in your testimony you talked about number of states that have sports betting that has exclusive agreements, exclusive agreements with the Tribal Nations that are running that sports betting. What was that number again?

RODNEY BUTLER: There is three today because those states had similar to Connecticut preexisting exclusivities to those Tribes in those states.

SENATOR OSTEN (19TH): And you, the amount of revenue that comes to the State of Connecticut from Tribal gaming in Connecticut my understanding is we are number one in the country.

RODNEY BUTLER: Yes.

SENATOR OSTEN (19TH): Right. So let me get this straight, you get no money from the State of Connecticut, you've given us \$9 billion dollars, you put \$6 billion dollars into construction between the two of you, at a minimum, you're looking to do more, you are two of the top ten employers in the State, you provide the resources necessary to combat any ills associated with gaming, you geeze it's getting hard for me to count all the things you do for us. You support nonprofits that would have nowhere else to go and in Eastern Connecticut you saved us from the depths of despair when the defense industry went south. Would that be sort of a recap of what we've been talking about here this morning?

RODNEY BUTLER: That's pretty accurate.

SENATOR OSTEN (19TH): Ray?

RAY PINEAULT: Both Tribes have demonstrated their excellent community partners and partners with the State over the three plus decades that we've been in business here.

SENATOR OSTEN (19TH): So again, I am a little confused when people want to tear apart relationships. I know that Connecticut that I've been a part of for twice the 30 years that you've been here wants to bring people together and this Bill that we're talking about today brings together the trades, helps Connecticut provide debt free college, brings communities that were at odds with each other in previous legislation through Bridgeport, East Windsor, New Haven, Hartford again we're turning the lights off guys. I don't think we mind a little bit of ambience but I think people want to see. And more jobs than I can possibly count on one hand. Geez. How long have your tribes been in Connecticut? I think it was before Connecticut was Connecticut was it not?

RODNEY BUTLER: Connecticut was named after one of our words, the Long Title River, Quinnehtukqut.

SENATOR OSTEN (19TH): Oh, I think the Thanos River was actually the Pequot River at one time.

RODNEY BUTLER: It was.

SENATOR OSTEN (19TH): Saying there's a lot of history here and I want to thank you guys for, I want to thank both Tribal Nations for sticking with Connecticut as long as you've stuck with Connecticut. I want to thank you for everything you

do. I want to thank you for employing my neighbors and my friends and the people in the State of Connecticut and I want to thank you as the Co-Chair of Appropriations for providing the single largest dollar amount than any other corporation in the State of Connecticut bar none, bar none by probably almost 90 percent. So you guys do great work, you understand the gaming industry, you are historical partners with the people in the State of Connecticut, you are current partners with the State of Connecticut. I look forward to a long-term continued relationship and again I want to thank you for that \$9 billion dollars that you've given in revenue to the State of Connecticut. Thank you very much, Mr. Chair. [Applause]

REP. VERRENGIA (20TH): No, no clapping please. Are there any other questions? Representative Gonzales.

REP. GONZALES (3RD): Thank you, Mr. Chair. But I don't have a question. I got a comment. I got elected in 1996 and I met, 1997 I met the elected officials there at Foxwood. And since that time they've been always very good to my community. They did donate a lot of money for the community, nonprofit organization and always that I ask for help for the community they always were there. We were for many years together and they hire a lot of people from here from the City of Hartford. Sometimes I did organize events with the seniors and the kids and they never charge me a penny. I took the seniors to Foxwood, not to play but we went to take the kids to the museum and instead of me paying, they did treat the seniors and the kids real nice, they did provide lunch and gifts for all of

them. So for that I am very, very grateful. And I think we should keep working together. I don't think that it is fair for we're always looking for one side. What can I received but not giving back to the other side and at Foxwood Mohegan they are always very good to my community. I thank you for that. Thank you.

REP. VERRENGIA (20TH): Representative Simmons.

REP. SIMMONS (144TH): Thank you, Mr. Chair. Thank you all for being here and I do want to echo Senator Osten's comments and thank you for your commitment to Connecticut in terms of the revenue and jobs you create and all you do for the community as you've mentioned. I have a couple of questions and first I was wondering if you could kind a speak to the overall benefits that authorizing sports betting would provide to Connecticut in terms of revenue, jobs and any other benefits that you see from your perspective.

RODNEY BUTLER: Yeah, so what we've testified on is that it really is a packaged approach between retail sports betting, online sports betting and iGaming and collectively we believe that will contribute financially over \$100 million dollars to the State in the next five years. Now that also, in addition to that, the Bridgeport Casino and Entertainment Zones that are proposed in SB 21 produce an additional \$70 million plus of revenue back to the State and then what we've estimated for the extended liquor hours is an incremental \$10 million dollars back to the State of Connecticut. So all in it's over \$200 million dollars, \$200 million incremental dollars to the State over the next five years through SB 21.

From a jobs perspective, two components here, obviously we will staff up to manage our online gaming operations and we actually have a Vice-President of Brand and Online Gaming here and she has already been looking at new hires for that. But between the casino in Bridgeport and East Windsor and the entertainment facilities we're talking north of 3,000 incremental jobs to the State of Connecticut.

REP. SIMMONS (144TH): Great, thank you for that answer. And in terms of jobs, do you see them being spread out over different towns or primarily based in those cities?

RODNEY BUTLER: Yeah, so the way the current legislation is laid out, I mean again, once we move forward with East Windsor that's obviously where the jobs will come from in that region. We will service from that region. But Bridgeport as well will be a concentration area but as noted by Senator Osten earlier, you know, despite our geographic locations in Southeastern Connecticut we pull employees from all over the State so we expect to see this same in those concentrated developments. In addition to that the three sport betting facilities that are proposed in SB 21 one being in Hartford, one being in New Haven and one yet to be determined will also employ several dozen people each.

REP. SIMMONS (144TH): Great, thank you for that answer. And then in terms of the definition of Entertainment Zone facility in the Bill just wondering if you could elaborate on the parameters of what that would look like.

RODNEY BUTLER: Yeah, so the easiest example that I've used, I've referenced and quite frankly out of respect for our friends at Sportech is similar to what they've been able to develop in Stamford and in Windsor in the Bobby V's concept it really is, it is a sports betting facility based around entertainment.

REP. SIMMONS (144TH): Great, that is very helpful and then final question, this is kind of a broader question about how you fit into our State's overall tourism and you're obviously a critical part of that. One thing we're looking at in the Commerce Committee is how we can better market Connecticut and attract tourism to our State. I'm wondering if you think we're doing a good enough job to support your efforts. I know you obviously do a lot of your own marketing but is there anything we can do better to support you in trying to attract tourists from out-of-state.

RODNEY BUTLER: Yeah, so we have members on all the statewide tourism boards, obviously we are very entwined in tourism in Southeastern Connecticut but we have representation. We have been working with those organizations to express to them how one week can help contribute, right, because we're doing it naturally and so we've been adding area attractions onto our, on our communication whether it be our monthly mailers, our social media, our website we will promote local tourism destinations as well as doing packages with tourism destinations. We've got, you know, go the aquarium stay at Foxwoods. We've talked to other institutions around the State about doing the same and so there's certainly opportunity to improve. I will say in full

disclosure in past conversations the focus from statewide tourism has shied away from promoting both casinos for various reasons. But I will say under the current administration and leadership there was been an embracement of the casinos as a key component of tourism and we are continuing to build upon that relationship.

So in short there is opportunity to improve but we're engaged and all parties are listening.

REP. SIMMONS (144TH): Great, thank you for those answers and thank you again for your commitment to Connecticut. Thank you, Mr. Chair.

REP. VERRENGIA (20TH): Thank you. Senator Bradley.

SENATOR BRADLEY (23RD): I forgot my pom-poms today but I think you guys are a great organization. Seriously you guys are doing great things and I echo the sentiments of my colleagues here. But getting specifics to the proposition of building a gaming site on the great City of Bridgeport I know we did discuss previously about to go about that so my colleagues brought up the fact it says "may" as opposed to "shall" permissive language as opposed to compulsory language of mandating these things to happen. I was wondering if your legal counsel or anybody could speak on how we can accomplish the goal of actually making this happen?

RODNEY BUTLER: Yeah, we've actually spoken with the mayor about different options on that but I will defer to Jared.

JARED BAUMGART: So, you know, I think the idea of changing the language from "may" to "shall" could be problematic just because I don't know that the State

can actually force, you know, a third party to go out and proactively do something, build something, develop something like this. I think in this case what would be a better option would be something like a development agreement entered into between the Tribes and the City of Bridgeport to hash those parameters out outside of the Legislation. And if, you know, needs to be conditioned on entering into some kind of development agreement that would be an option and I think a more feasible way of, you know, ensuring that Bridgeport gets what it is looking for.

SENATOR BRADLEY (23RD): And was that the same type of agreement that was worked out with East Windsor?

JASON BAUMGART: We do have a development agreement with East Windsor.

SENATOR BRADLEY (23RD): And is the language both in this Bill now SB 21 and the language in previous legislation the same in terms of what as the permissive language that allowed you to build in East Windsor?

JASON BAUMGART: That's correct. It was *Public Act 17-89* that says that MMCT is authorized to build a casino gaming facility in East Windsor.

SENATOR BRADLEY (23RD): And I know we are trying to kind of put our toes in the water to see the likelihood of this being a successful endeavor but do you guys have any projection or scale as terms of what type of facility we're looking at with that significant type of investment?

JARED BAUMGART: I think I get to turn my microphone off.

RODNEY BUTLER: No, so again as Mayor Ganim outlined appropriately it is working together with the City and determining what that looks like, you know, in conjunction with the broader development that could potentially go an around it, right. And so as he pointed out when we first outlined what it could be, as he rightfully said, let's focus that investment on the casino portion, right so it's not watered down from hotel and garage and everything else, that's just the casino component and we will work with other developers in and around the State to extend that to hotel, nongaming, etc.

SENATOR BRADLEY (23RD): And lastly, Chairman if you can, can you give us a basic timeline, I know it's hard to do because East Windsor obviously has been an endeavor which has been arduous one right, and probably you didn't see that getting into this kind of thing. Can you give us some sort of a basic outline as to a timeline as to how long it would take to get something up and running in Bridgeport?

RODNEY BUTLER: Well we've always said, you know, from a build period of 18 to 24 months and we would hold to that once we got to that point of construction. I would anticipate because of location of Bridgeport that there will be less external forces trying to slow that down unlike East Windsor and what we've seen from the North. But Bridgeport, the competitive landscape is a little bit different. I mean you have a facility that is just across the Sound, they have a fairly targeted market in Long Island and then the other facilities that are in New York City again they have a dense population that they are targeting as well and less so on Bridgeport and Fairfield County.

SENATOR BRADLEY (23RD): Thank you, I have no further questions.

REP. VERRENGIA (20TH): Representative.

REP. ALLIE-BRENNAN (2ND): Thank you, Mr. Chair. Can you expand further on your explanation of what makes sports betting a Class III Game covered within the Compact?

RODNEY BUTLER: I'll defer to George Henningsen.

GEORGE HENNINGSEN: Sports betting is not listed in the Compact per se. At the question that really is being kicked around right now is whether or not exclusivity that was granted by an MOU entered into in April of 94, whether that exclusivity covers sports betting. There has been various discussions about how you analyze that. The fact is that District Court, if we were unfortunately were to get to that point would want to know what the intent of the parties was as of April '94. Not all the things that have happened since then, not what the current status is in 2020 but what did the parties intend then. It is very clear from the history that this was a joint arrangement between Governor Weikart and the Tribes. At that juncture the Mohegan's had just gotten into it but on behalf of the Mashantucket's there was legislative initiatives from both Harrah's and Wynn that sought to circumvent the existing MOU that dealt with slots only and the prospect was that they would build casinos that were table games only and then build them out and be ready to put slots in, have a financial amount of money coming in, a significant amount of money from table games and then turn on the slots. Because the initial MOU only went to the question of slots. When Governor

Weikart approached the Tribes about the dilemma posed by the proposed legislation he was very adamant that he wanted no more casino gaming in Connecticut. He was satisfied with the Tribes offerings. He did not want any expansion and that is when the language was added into the original MOU that gave us exclusivity over slots, gave us exclusivity over all casino, commercial casino games. So the clear intent by the State and certainly by us, but as engendered by the State was to keep out any form of gaming that was then prevalent in the casinos in Nevada.

REP. ALLIE-BRENNAN (2ND): Thank you. And just one more question, how did the Keno Compact come to be, can you explain more about that.

RODNEY BUTLER: So Keno, was a collaborative, essentially how we started this conversation. The State was interested in pursuing it and the State agreed at that time that that was covered under the Compacts and we talked about what that could look like in the State and we came to an agreement. There were multiple pieces, other pieces to that negotiation. There was give and take on both sides and it was agreed upon with the Governor, the Tribes and, you know, Legislators approved it at that time. It has been very successful.

REP. ALLIE-BRENNAN (2ND): Thank you, that's all.

REP. VERRENGIA (20TH): Any other questions? I've got just a few. I think we need, well first of all let me comment that today's hearing is not a referendum on our relationship, the State of Connecticut and our good partners, the two Tribes. I don't think there is anyone on this Committee that

questions that and wouldn't agree what was said, we can spend days talking about, all the great things you do for the State of Connecticut. So I want to preface my remarks my saying that and I truly believe it.

At the same time our gaming industry has changed over the past 30 years since the State of Connecticut entered into a contract with our two Tribal partners. That's what it is. The contract has been very lucrative to both parties, the Tribes as well as the State. But because our gaming landscape has changed particularly when it comes to exclusivity. Up until the recent past there was never any question about our partnership with the expansion of gaming until the talk of the East Windsor Casino and now the change in Federal Law which is in sports betting. So that is what we're doing and that is what this Committee is charged as far as overseeing gaming here in the State of Connecticut. So because if someone asks questions it is not questioning our relationship it is questioning the policy of the State of Connecticut going forward giving the changing landscape.

So having said that, I just have a few questions. I'll start off with respect to the Bill that would allow for a Bridgeport Casino. And my question is we heard of the dollar amount that the Tribes were willing to invest up to \$100 million dollars. And I am curious to know, you know, how they got to that number. I know when you presented the East Windsor Casino to this Committee you had consults in, you had data that you provided to this Committee and in this case, that doesn't seem to be true here. So I am just curious how you got to that point?

RODNEY BUTLER: Just to be clear, the Legislation says minimum \$100 million dollars but creates flexibility for a larger investment and it was a collaborative discussion with the Governor at that time and with the Mayor's office directly and said what do we think could work in Bridgeport and how do we get this across the finish line. And so we felt the \$100 million dollars was a good placeholder because it also encouraged as the Mayor had spoken about additional private funding to come in and do some of the nongaming development. He spoke about Live Nation being in the city and other developers in the city and what he was envisioning and agreed with was that this wasn't just going to be on the backs of the Tribes.

REP. VERRENGIA (20TH): I understand and the challenge for us in this Committee and throughout the Legislature is to try to get a sense of the viability of any other casino in the State of Connecticut given what we've seen since we passed the East Windsor Casino and the underperformance of that market and the jobs that were promised, the jobs that we thought were gonna be lost and the revenue that was gonna be brought to the State of Connecticut which is nowhere near what was projected and.

RODNEY BUTLER: Thankfully.

REP. VERRENGIA (20TH): On the jobs, yes. On the revenue side I'd argue you differently because the projection was \$70 million dollars to the State and according to OFA recent projections are \$25 million dollars so it is underperforming in that regard.

RODNEY BUTLER: Mr. Chairman with all due respect it is not build yet.

REP. VERRENGIA (20TH): I'm just talking about projections unless I think even the last hearing we talked about, you talked about the \$70 million dollars. That was based on I believe a bigger model up to a \$300 million dollar investment.

RODNEY BUTLER: Correct.

REP. VERRENGIA (20TH): I believe that model has since changed, so my question is since that change how many projected slot machines are there going to be in East Windsor Casino and to date what is the latest projection, revenue projections.

RODNEY BUTLER: The current projections for slot machines in East Windsor and again it is flexible in design so it is in the thousand unit count range and so again dependent on zoning and how flexible the zoning is, and we will design to that and the current projections on revenue back to the State are still in the range of \$50 million dollars a year.

REP. VERRENGIA (20TH): Okay the original projection was \$70 million dollars according to the consultant. And the reason I was going here, going down this path. [Cross talking] Excuse me, sir.

RODNEY BUTLER: The original projection had less revenue coming from the existing facilities which we've actually had an increase in.

REP. VERRENGIA (20TH): Mr. Chairman, I just ask that you don't cut me off when I'm speaking please. I will give you all due respect to listen to your questions. Where I am going with this and not to be critical of the East Windsor Casino but the question

of viability of another casino anywhere in the State of Connecticut that is the basis of the question. And I'm sorry, did you have a response.

RODNEY BUTLER: No, I think we believe that it is viable. I mean we've been in this industry for almost 30 years, Mohegan in particular is operating successfully in other jurisdictions. They've done new construction in other jurisdictions. They have done the modeling, we have done the modeling. We understand this market better than anyone. I think the fact that Members of this Committee in particular and others felt like a \$7 or \$800 million dollar facility would have worked in Bridgeport and are now questioning whether a \$100 million dollar facility would work is, you know, interesting to me at minimum. But we believe that the right size facility in Bridgeport built for the market will be accretive to the overall gaming economy in Connecticut.

REP. VERRENGIA (20TH): Okay, thank you. And then also in Senate Bill, there is a Section in there that would repeal specifically Section 12-56 (a) and 12-570 (a) and under that Section it required a payment of \$30 million dollars from MMCT by June 20th to the State of Connecticut. Did you request the repeal?

RODNEY BUTLER: That was part of the conversation with the Governor's Office and Speaker of the House during last session because of the timing of the payment and the delay in construction in East Windsor and again it was a collaborative conversation with all three parties that we agreed to.

REP. VERRENGIA (20TH): And that was because of the timing of the conversation?

RODNEY BUTLER: It was the timing of the construction itself and so that was always anticipated that \$30 million dollars would be included in financing and because of the delay in construction therefor that delayed financing. And so as part of the compromise to do something in Bridgeport and talk about gaming beyond just East Windsor and Bridgeport the leadership at that time agreed that removing that requirement would be beneficial for everyone.

REP. VERRENGIA (20TH): Okay. And I know at the time because I was actually part of those conversations that \$30 million dollar interest free loan to the State was a compromise because what was on the table was a licensing fee. So the State didn't include, I believe it was an \$85 million dollar licensing fee that was on the table and then it was negotiated to the \$30 million dollar interest free loan.

RODNEY BUTLER: Yeah. The licensing fee was not on the table. We were never gonna pay that and we are not considering it. The interest free loan back to the State was gratis on behalf of the Tribes on top of the \$8 almost \$9 billion dollars that we had given. There were Legislators that were requesting a license fee. That was never on the table from the perspective of the Tribes.

RAY PINEAULT: If I could just add to that, the Tribes did pay a \$1 million dollar fee at the time that was to cover some of the expenses to the State before the casinos opened.

REP. VERRENGIA (20TH): Yes, thank you for that. Also under the Bill it talks about, and you can correct me if I'm wrong, cause I'm not sure the number, there is a, with respect to slots under the current Compact there is a minimum that the Tribes pay. If it gets to a certain level I want to say \$80 million dollars each Tribe up to \$160 million dollars, I may be wrong.

RODNEY BUTLER: I think it's close, yeah.

REP. VERRENGIA (20TH): So there is a change to that in this proposed language that any additional revenue whether it is through sports gaming, iGaming all those additions that you had asked for would go towards that minimum. Is that something that the Tribes had asked for?

RODNEY BUTLER: Yes.

REP. VERRENGIA (20TH): Okay and is it because you see a reduction in slot revenues forecasted, projected or otherwise?

RODNEY BUTLER: No, it's a fix because it is an extension of gaming and so it just states that all additional gaming will be credited towards that same contribution.

JARED BAUMGART: I apologize, I have to be the lawyer here. Just the minimum contribution is a bit of a misnomer. It is not the minimum amount that the Tribes pay to the State, one you go below that threshold the calculation of the contribution changes a little bit.

REP. VERRENGIA (20TH): Okay, thank you. Thank you for that response. So I guess to put what is in front of us today in this short session into

context, essentially there is two competing Bills. There is a Bill that would allow for the Tribes to essentially turn the key over to the gaming to the State of Connecticut and allow for everything that you had described in your opening remarks, sports betting, online, iGaming, you know, the whole nine yards and an additional casino here in the State. That is pretty comprehensive. That is a big ask. Not sure we can get something through in a short session. I think it needs to be vetted, it's particularly iGaming, that would be a major change to the gaming policies here in the State of Connecticut. I'm not saying I don't support it, I'm just saying it is a major change and is more of a challenge.

So in the spirit of trying to get something done and moving Connecticut's gaming policy forward in this short session, there is a standalone Sports Betting Bill that just deals with sports betting and the Bill allows for the two tribes, the Lottery and ROTB operators who are already operating here in the State to operate brick and mortar and online gaming in an effort to move it forward. And quite frankly that is a big change from Legislation that I proposed with this Committee has looked at in the past and voted for with respect to an open competitive process. We didn't open up to outsiders we just limit it to instate stakeholders in an effort to move forward.

So often times I'm asked well why is our sports betting policy stalled, why is it not moving forward and I explain the complexities of the Compacts and what that involves? So here's a question and I'll let either one of you answer it. So you claim

exclusivity on sports betting, that's what I'm hearing and if that's the case what is it that you're pointing to or is that based on as far as the Tribes having exclusivity on sports betting?

RODNEY BUTLER: So, I'll bet George Hannington answer that. I would say that we're not claiming anything, we have exclusivity in gaming in the State based on agreements that we all signed almost 30 years ago and so this is simply an extension of that. I'll let George explain why this is an extension of it.

GEORGE HANNINGTON: Thank you, Mr. Chairman. Number one you reference our meeting three weeks ago, an article by Dan Wallach that you quoted from about sports betting and various comments in the sports betting and why sports betting in his view and I believe in your view, should not be included in our exclusivity agreement. What I referenced earlier was the fact that ultimately it is not what you and I might agree to in a discussion in 2020 terms that's gonna carry the day. What will be involved is an analysis by the Federal District Court that says what did the parties intend in April of 1994 so all of the questions about what has evolved since then as to sports betting whether the questions are mobile which didn't exist then or whether there are other questions about different sports that didn't exist then that are being bet on, they don't come into play. What does come into play was the clear intent of Governor Weikart at the time joined by the Mashantuckets and later the Mohegans that we did not want additional casinos in Connecticut. The only measure of that that existed at the time and strangely enough it was Harrah's and Wynn from

Nevada that were I guess putting these proposals forward about an additional casino in Connecticut. The only measure of that at the time was the casinos that existed in Nevada.

The opinion of Attorney General Blumenthal when asked about the question what is a commercial casino game set, I guess it is a type of game that is prevalent in casinos. I the Florida example that you referenced in the Wallach article that was about a Constitutional debate over two different proposals in Florida about sports betting and other things and they talked about whether it was something that was common in casinos. Well certainly in 1994 the only place that anyone could address sports betting was in the casinos in Nevada. So I can't say that will carry the day in Federal District Court but I offer that, not argumentatively, but as something that I think backs our position that yes indeed sports betting was contemplated not literally by the language of a longlist of required games. The drafters of that MOU had the opportunity to list whatever they wanted including the State and they chose not to. They chose to go with a very generic term, commercial casino games. Unfortunately that leaves us the laundry so to speak to try and sort through and figure out what did they intend but what you and I might intend today respectfully is irrelevant. The only thing that is relevant in that analysis is what did the parties intend in April of 1994.

RODNEY BUTLER: And I would only add, thank you, thank you, Commissioner. I would only add that fast forward to today and the statistics I outlined earlier as far as jurisdictions that have approved

sports betting and a number of those with existing casinos have all identified them as casino games. Only on handful of those that had preexisting arrangements with Lottery have used the lottery, which is five out of the 21 and zero, zero have authorized them through off-track betting.

REP. VERRENGIA (20TH): And how do you define a casino game?

GEORGE HANNINGTON: It varies from jurisdiction to jurisdiction.

REP. VERRENGIA (20TH): I am asking how you?

GEORGE HANNINGTON: There is a definition that is very clear cut as to what casino games mean for purposes of the Compact. That definition isn't clear cut as to what the parties meant in terms of the MOU when they could have referred to the Compact and didn't but instead left it a commercial casino game. If, I think the question that you and I talked about and perhaps one or more of the panel members was the idea that, if you will, my vernacular bookmaking and that is really what we're talking about, sports betting is bookmaking. Until it is legalized and regulated in the State it is usually illegal bookmaking. When states chose to legalize it they regulate it, they collect fees from it and all of a sudden it's no longer illegal bookmaking. Bookmaking in the sense of what was going on in 1994 in Nevada was all about sports books and casinos.

Is that as I referenced the last time, the silver bullet answer to the question of what was intended? Probably not. But given bot the Executive Branches reluctance to get into litigation, why does anybody

now think they want to engage in litigation with the Tribes over this? It is a very murky area. You have opinions from two Attorney's General that did not answer the question yet here we are still talking about it and I say that respectfully because I appreciate your position.

REP. VERRENGIA (20TH): Yeah, and I respect that response but I also, and I couldn't agree with you more quite frankly. I think that we could agree that there could be two compelling arguments and it doesn't matter what you or I or anyone in this room thinks, kind of to your point, so I agree wholeheartedly with you quite frankly. Which brings to the issue is two sides agree to disagree, right? So what we're trying to do is if the claim of exclusivity still remains, you know, you talk about and Chairman Butler talked about working together and trying to come to an agreement it is in the best interest of anyone. No one wants to draw the line in the sand if you will cause it's gonna bring us exactly where we are in East Windsor. It's going to be tied up in litigation for the next so many years so it's really in interest for both parties to come, sit down and negotiate and to compromise but that compromise, so you know, up until this point is the Tribes still claiming that exclusivity and I'm saying this for the sake of the public that is where we are, you know.

And then Mr. Henningsen to your point, you know, as Chairman Butler mentioned something about take it or leave it offer - I'm not sure where that came from not this Committee, I haven't heard it but in a sense I feel that way at times and, you know, you had mentioned we were talking about your last

testimony about exclusivity in the provision, so much of the conversation we had today and you had said, I quote, "I have to question at least as a Connecticut taxpayer how can any reasonable risk and reward analysis conclude that taxpayers best interests are being served by risking \$250 million per year to possibly earn \$15 million a year." So if I am to draw any conclusions if the State were to move forward and there was a dispute we couldn't agree on what sports gaming was then are you suggesting that you would stop making the payments to the State?

RODNEY BUTLER: In all due respect, Chairman we have made that very clear. There is no question. I would say just going back to respect of both Chairmen, Chairman Henningsen as well that with regard to our differing opinions or the perception of differing opinions on whether sports betting is a casino game or not it is beyond all of us in this room. It is up to the Federal Government and the Federal Government through the National Gaming Commission came out with an opinion on January 20 or 29 what have you, I'll make sure you have it of this year that says sports betting is a Class III game. NIGC is the only folks in the country that can validate or invalidate a Compact. So if they feel compelled to invalidate a Compact because it has been breached because of a game they identify as Class III is now not exclusive to us then that is up to them and you and I have no control over that.

REP. VERRENGIA (20TH): Right.

RODNEY BUTLER: And our opinion doesn't matter in that sense.

REP. VERRENGIA (20TH): I think we're all in agreement, that's where I'm going here. There is two opinions and.

RODNEY BUTLER: I'm saying the NIGC has made it clear, it is a Class III game. That takes the opinion out.

REP. VERRENGIA (20TH): Okay and we'll leave it at that. So if the State were to move forward you would stop making the \$250 million dollar payments as you indicated?

RODNEY BUTLER: We would have to, correct.

REP. VERRENGIA (20TH): You would have to. And what's your opinion as far as a re-court because there would be a dispute there obviously, it would go into litigation and this is where no one wants to go.

RODNEY BUTLER: I agree.

REP. VERRENGIA (20TH): But the take-it or leave-it offer works both ways because, you know, if your opinion is your opinion and that is what you think prevails I respect that and if you chose not to make the \$250 dollar payment, if we were to go down that path which no one wants to go down, there are recourses that the State can take.

RODNEY BUTLER: Absolutely agree and I have faith in the broader Legislative body that they wouldn't let that happen.

REP. VERRENGIA (20TH): So there is something that the State could take. So there is a financial invested interest from the Tribes as well as the State to try to work together to move gaming forward

and we are not moving forward because of the consistent claim of exclusivity and that is your right and I respect it. Unless you have something else.

RODNEY BUTLER: I would just note Chair if we don't move forward with sports betting we are still in a great relationship with the State. The State is still getting \$250 million dollars a year and they are not putting any money at risk.

REP. VERRENGIA (20TH): Absolutely and to your credit Chairman Butler you were the one who two years ago said let's look at a standalone sports betting and the State chose to look at a comprehensive policy and we just to this day because we talk about this Bill here it's complicated. So, I appreciate your testimony. Any other questions? No, that's fine. Representative Vail.

REP. VAIL (52ND): Thank you, Mr. Chairman for your indulgence. Good Afternoon you know, I've been on this Committee for six years and I've seen this struggle go back and forth. A lot of change when the Federal Law was changed and I look at this and I feel like we're this close to getting this done.

RODNEY BUTLER: I agree.

REP. VAIL (52ND): And we're, I definitely can't stand lawyers personally, no offense [Laughter] to my fellow colleague lawyers, no offense, Senator Bradley but let's keep it out of their hands altogether but I think everybody stands to win in this situation including the citizens of the State of Connecticut. And I just want to see a willingness of everybody maybe to take a step back, take a deep breath and maybe come back to the table

and just, I feel like we're on the ten yard line.  
We're in the red zone.

RODNEY BUTLER: We're on the one yard line.

REP. VAIL (52ND): Yeah, but there is like 15 defensive players on the field so we are having a hard time getting in but is there a willingness of the Tribes to come back to the table and see if we can maybe iron out and get us into the end zone from this point forward to try to do some. I think there is an urgency to get something done this session. I just think it's time. We've been debating this for far too long and so I just again, is there are you willing to come back and maybe see if we can get there, an agreement regardless of what the exclusivity is or isn't that if you agree to it then there is not an issue.

RODNEY BUTLER: Exactly and Representative, that is exactly how we got to the Keno deal. If the Tribes agree to under the exclusivity there is no issue. It produces incremental revenue for the State and it doesn't put the arrangements with the Tribe at risk. That is exactly what we did with that piece of legislation. That is exactly what we have been working towards here. There has been incredible compromise throughout this process despite some of the comments and we continue to do that and we continue. And this process of meeting with many of you around the table and in this building there has been additions, subtractions to this Bill all throughout. This is good legislative process we are looking at here. It is bipartisan, by cameral and collaborative. And I am proud to look at SB 21 and say this is how Connecticut Legislators are supposed to be responding and working and working together.

I mean I don't know how many other Bills you guys have worked across the aisle on to get done like you have on this one and I appreciate that.

It has been a great process and I am despite or regardless of the outcomes of this Session, our Tribes aren't going anywhere. The casinos aren't going anywhere. So long as our exclusivity exists we will be making payments to the State happily and we will still be working towards bringing sports betting and online gaming and the likes to the State in some future time. The question was asked earlier how long we've been in the State of Connecticut I think Senator Osten pointed that out. You know, we have ancestral sites at Mashantucket and at Mohegan that dates back 14-15,000 years. We've been here a longtime. We've been very patient and I like to define it as Pequot Persistence. We are incredibly persistent and we'll just keep working it for generations to come. We are not going anywhere, this is our home. We love this State.

REP. VAIL (52ND): And again, I don't want to argue legal terms, 1994 Federal, all this but are you willing to at least look potentially to maybe sit down again and re-talk those over maybe in regards to sports betting or whatever else about the exclusivity and at least have that conversation? I understand your stand on it from a legal perspective but are you, is there a willingness to come back to the table and maybe see if there is something that works for everybody.

RODNEY BUTLER: We've always been open to conversations that recognize and appreciate our agreements.

REP. VAIL (52ND): Okay, thank you.

REP. VERRENGIA (20TH): Okay, thank you very much for your testimony and coming up again today.

RODNEY BUTLER: Thank you, Chairman.

REP. VERRENGIA (20TH): We are past the hour limit so I am going to go to the first member of the public and up next is the former Congressman Bob Steele. Good Afternoon, Mr. Steele.

ROBERT STEELE: Good Afternoon, Representative Verrengia, Senator Bradley and other Distinguished Members of the Committee. My name is Robert Steele. I live in Essex and am a former Member of Congress from Eastern Connecticut. I wish to testify in favor of Raised Bill 5167, requiring periodic impact studies of the effect of legalized gambling on Connecticut and the desirability of expanding, maintaining or reducing the amount of legalized gambling permitted in Connecticut.

The bill is important and especially timely for Connecticut because of the increasing saturation of the region's gambling market and the number of legislative proposals that would further expand gambling. As *The Hartford Courant* reported on February 15, 2020, Foxwoods' and Mohegan Sun's slot revenues continue to fall, MGM's new Springfield casino is struggling, and the Tribes are scaling back their proposed East Windsor casino because of its diminishing prospects.

In the meantime, there is a growing body of independent scholarly research indicating that the economic and social costs of legalized gambling far outweigh its benefits. Yet today we are here

talking about a massive expansion of gambling in Connecticut, from online sports betting to internet Keno, a Bridgeport casino, and three gambling so called "entertainment zones" in addition to an East Windsor casino.

The last state-sponsored gambling study was done in 2009 by Spectrum Gaming Group. The study provided over 300 pages of gambling-related data, but as noted on page 79 of their report, the study made no attempt to provide a cost-benefit analysis of gambling's effect on Connecticut. As a result, the study's value was severely limited for policymaking purposes.

In view of the magnitude of the gambling changes being proposed, and in order to provide legislators with the information they need to cast an informed vote on gambling expansion, it is essential that the next study provide a full cost-benefit analysis of both gambling's effect on the State to date and the probable effect of the new proposals.

Moreover, for maximum credibility it is important that the analysis be provided by a truly independent entity such as a first-tier U.S. research university rather than a company with financial ties to the gambling industry.

Hopefully, the majority of legislators will insist on having such cost-benefit information in their hands before being required to vote on gambling expansion. Thank you very much.

REP. VERRENGIA (20TH): Thank you, Mr. Steele. Are there any questions? Senator Hwang.

SENATOR HWANG (28TH): Thank you, Mr. Chairman. Welcome Congressman Steele. Thank you for coming in, you've been consistent almost as consistent as the Tribes in coming up to testify to this Committee. I appreciate your conversation related to the study. I think you mentioned the last study that was done was over 12 year ago.

ROBERT STEELE: 2009.

SENATOR HWANG (28TH): And do you now have a statutory requirement to do a study every ten years?

ROBERT STEELE: We do indeed but it has not been honored to this point and that is why this Bill is probably particularly timely in order to spark what should be being done anyway.

SENATOR HWANG (28TH): And I think in your testimony and others that I've read, is it imperative to have this study because we have a whole new generation of gamblers unlike the traditional table games which you go to the casinos and you bet on the tables, what we're looking at Bills that are being proposed are a brand-new wave and a generation of gambling accessibility and opportunities through what we have in our restaurants through Keno but the idea of internet and online gambling and the proliferation in the sports gambling it brings the whole different context in regards to the impact but also the psychological attraction to further addiction. Can you elaborate a little bit more based on your expertise and experience in this having written a book on this anecdotally with a historical connection talking about this country and this State's connection to the Tribes and gambling could you offer some insight in your expertise in

regards to this new wave of gambling access and how it could impact the potential exponential growth if not explosion of potential gambling addiction?

ROBERT STEELE: Let me respond by just briefly talking about the potential of internet gambling on kids and sports betting. Internet gambling, very clearly, would put a casino in just about everybody's pocket. Put a casino on every phone and every computer and would sharply increase gambling and gambling addiction in this State and wherever it is legalized.

Research, I think you'll be interested in this, the latest now shows that online adult gamblers have dramatically higher problem gambling rates than other adult gamblers. You start talking about kids I would think everybody would be especially concerned. Commercial sports betting now is radically changing the way kids view and consume sports because they see the advertisements constantly. Internet gambling addiction is the fastest growing addiction among American kids, high schoolers and college students because of real time sports betting on cellphones and video games. In the United Kingdom, in the U.K. 450,000 children now age 11 to 16 bet regularly more than those who have taken drugs, smoked or drunk alcohol. And that's just a tip of the iceberg in order to answer your question.

SENATOR HWANG (28TH): Thank you and we talk so much in this building about revenue. I think in your past testimonies as I recollect and in reading your book, we very rarely talk about the societal impact. Having been a former Congressman in Eastern Connecticut and having been involved in policy

making since the origination of the Tribal Compact could you offer some insight in regard to the landscape and there is no doubt in this building we have repeated often the incredible contributions of the two Tribes through their contributions financially to our State as well as social well-being. But could you shed some light from your experience in a policy role the other consequences of increased gambling expansion in the State from your perspective as a former Congressman, a former Candidate for Governor and an individual that continues to live on Eastern Connecticut on the potential societal impact and what is wrought in regards to communities and lives?

ROBERT STEELE: Well I think that is an important point because we've heard repeatedly now about the \$9 billion dollars that have come from our two casinos and that is a fact. But no one so far as raised the question of what are the economic and social costs. We always talk about the jobs, we always talk about the revenue to the State of Connecticut. What about the economic and social costs? There is an increasing amount of, as I said in my testimony, of independent scholarly research that shows that those costs are far greater than the benefits. And that of course is becoming an even bigger and bigger problem because the actual revenue has slowed and slowed and slowed and the more it slows of course the greater the cost versus the revenue are. You know, just would mention that we've heard many, many studies all commissioned by the casinos about the money that is being raised, the jobs that would be created, never it just doesn't seem to dawn on anyone that never in any of those studies they talk about the social and

economic costs. Why? This study would help illuminate that and I would think, and as a former Legislator, I know I would insist on having that kind of information in front of me before I cast a vote on whether or not we were going to massively expand gambling, legalized gambling in this State.

SENATOR HWANG (28TH): One of the challenges we have as with many other revenue considerations we have in this State is Congressman Steele, everybody else is doing it. We're leaving money on the table. What would you say to that the fact that we're surrounded all around us and the opportunities are being lost to gain additional revenue? You must have heard that. What would you say to that from a standpoint of why we shouldn't do it?

ROBERT STEELE: Yes, indeed I have heard that. Connecticut had a monopoly on casino gambling, practical monopoly for years and years and years and years. Other states finally decided they couldn't let that continue. The fact of the matter is, is that if we massively expand gambling in Connecticut it will be a massive amount of more gambling in the State and there will be more cost. Will we lose some revenue, yeah we'll lose some revenue? There is no question about it. But that revenue more than made up the amount of money that is being saved on social and economic costs.

SENATOR HWANG (28TH): The last thing if I may, is one of the exchanges I had with Mr. Butler who has been incredibly resourceful and available and been a great partner to the State, one of the interesting parts that we raise about sports gambling was in Rhode Island their initial foray was to engage in bets on site. But what Rhode Island quickly

discovered and changed is that sports gambling goes hand-in-hand with internet gambling and that is the biggest revenue generation. I think in my past exchanges with you, you talked about the incredible technology proliferation and the impact on our youthful users, not only from a standpoint of sports gambling but could you shed some light in regards to what internet gambling opens up and portends that in a future we could never, ever imagine, I think one of the analogies you use is the fact that for a younger generation with a mobile device in their hand the easy conversion of Candy Rock or Angry Birds could be quickly translated into dollar denominations for internet gambling. What are the real psychological and societal consequences of internet gambling expansion that we have not considered in our legislative review of expansion that has incredible, incredible social context?

ROBERT STEELE: One of the most interesting aspects to your question I think is what is happening in the U.K. and in Australia which are actually more advanced in terms of more gambling than here in the United States. And what it shows as far as internet sports gambling is concerned is really quite remarkable. Advertisements now on TV up to one-fifth to one-third of all advertisements on television in those two countries is now about internet and sports gambling directed in many cases to kids. Kids begin to think they don't look at sports the same way anymore. Sports is my team against your team that's my sport, it's not only no one is betting on a game it's within game betting. Is the next pitch gonna be a ball or a strike? Is this guy gonna score a goal before that other guy scores a goal? Constant real-time betting and kids

are beginning to look at sports as, gee it's all about betting. It's not about what sports used to be. That is already happening in the U.K. There are study after study of it. I hope the Committee would be interested in and ask for some of those studies but they are of enormous concern or they should be to every parent and everyone who is concerned about kids.

SENATOR HWANG (28TH): And a final question, Mr. Chair, thank you for the indulgence, is your support of Bill Number 5167 is to encourage the Legislature to commission a study and with what we talked about earlier the long drama of gambling expansion stalled out. If we were able to pass it and put it into effect any to implement and effectuate a study to give us some good datapoints that would be a pathway that you would encourage for us as a State as we continually explore the various opportunities for revenue and expansion, would you not think that would be a very useful tool for us as a State to give us some guidance even if we go into additional gambling expansion at least then we now have a template and a roadmap to say these are some of the indicators and some of the plans that we can put in place to protect the general public as we pursue this avenue. So would you not say that passage of 5167 absent of all the other Bills we're discussing as it relates to gambling expansion should be a first priority for this Committee and for this Legislature before we do anything else about gambling expansion?

ROBERT STEELE: Absolutely. There is almost no point doing this study if we're just gonna go ahead and expand gambling before anybody knows what the cost

would be. I totally agree with that. Furthermore this is the perfect time to do it. The State of Connecticut and the Tribes are deadlocked, we all know that, that is what this discussion was about here all morning. This is the perfect time to do the study. Let's get the study done and then we can see where we are in six months from now or eight months from now or the beginning of 2021 and then we will have some solid information to make a decision on, without that, I really don't know how you cast a vote on this subject.

SENATOR HWANG (28TH): Thank you, Mr. Chair and before we finish, I also want to complement the Chair of this Committee for raising this issue and in concert with us as we explore gambling expansion in the State to also consider some of the societal consequences and I want to make it public to complement our Charis for their consideration on all shareholders that are impacted by these discussions. So, thank you very much Congressman Steele and Thank you, Mr. Chair.

REP. VERRENGIA (20TH): Thank you. Is there?  
Representative Genga.

REP. GENGA (10TH): Thank you, Mr. Chairman. Mr. Steele thank you for your testimony. I used to listen to a radio professional with this same name, I still remember the April 1st comment how they were very unique and certainly professional but gave us hope, and I guess that is what you're trying to do here with your particular study. But with the foresight and the hindsight that you have now what would you say we would have done if we had a study 20 years ago, 15 years ago and what would we get out

of that study in your opinion that would have improved the quality of live in Connecticut.

ROBERT STEELE: Well I don't think we could have had the kind of study we can have today because we've got so much experience now in Connecticut. We have so much more information, so many more statistics, what the impact has been, good impact the bad impact, etc. So this is the ideal time to do this study and I think that what we will find from the study is whether or not the kinds of expansion that are being proposed here would cost the State of Connecticut and it's taxpayers and all of its citizens more in dollars than if we didn't expand gambling. So this is basic. This is what any, I believe, any corporation or really almost any legislature would do. It would look and say what is the cost benefit? All we ever hear about is the benefit and yet there is an enormous amount of information that is now available that we never hear about. Everybody wants to talk simply about look at the money, the revenue the State of Connecticut is gonna receive.

I'll tell you one other thing, and that is according to the research 50 percent of slot revenues come from problem and pathological gamblers. That means that 50 percent, half of all the money the State of Connecticut takes in from slot machines comes from preying on vulnerable people who have a serious gambling problem and if that doesn't make you stop and think for a moment the way it has me, I don't know what would.

Let me try to phrase this differently cause you're talking about money and I'm talking about quality of life which does not have to relate to dollars but to

improve quality of individual life in this State. And when you mention that, I'm also told by people who are we to say how people should spend their money. If they're willing to do that, it's their choice and its amusement for them. And I've stories, I've heard about a story from Michigan who has expanded their gambling considerably brought in lots of revenue about an individual who spent a million dollars a week gambling and they went to that individual to understand why. This was an elderly single woman who said, "Because I enjoy it, this makes me happy." Happiness in life is probably the most important so how do you respond to that? I would say she ought to come to Connecticut because we have two of the biggest casinos in the world here [Laughter]. There's plenty of gambling in Connecticut.

We already have, you know, we talk very, very briefly here about the OTB parlors. We have already passed the law in Connecticut. The Legislature has increased the number of OTB parlors by 50 percent in the State of Connecticut. The OTB parlors want a piece of the action, the casinos want a piece of the action, the State wants a piece of the action, everybody wants a piece of the action, want the money. There are plenty of opportunities to gamble here. I don't know anybody who is hurting because they can't gamble.

REP. VERRENGIA (20TH): Thank you. Any other questions? Seeing none, thank you Mr. Steele.

ROBERT STEELE: Thank you and Mr. Chairman I want to also echo my appreciation and my complements to you for introducing this Bill and all your work over the

last year that has gone in to trying to get it passed. Thank you.

REP. VERRENGIA (20TH): Well your message is very near and dear to my heart and in every gaming conversation that I've had problem gaming is part of that. And certainly in the Bills that are proposed will continue to be part of it as well as followed by the revenue stream needed to support it. Okay, Senator Somers, is she here? Okay, Representative Hughes, up next.

REP. HUGHES (135TH): Thank you, Co-Chairs, Senator Bradley, Verrengia, Vice Chair Senator Osten, Representative Pollo and all the Members of the Public Safety and Security Committee for allowing me to testify. My name is Anne Hughes, State Representative of the 135th District, licensed master social worker working fulltime in Bridgeport, Connecticut. I am in big support of the HB 5167 AN ACT CONCERNING STUDIES OF THE EFFECT OF LEGALIZED GAMBLING and in much opposition to all the rest. You have a copy of my testimony.

The Bills before us today will produce a massive expansion of gambling in Connecticut and will have serious damaging impact on people's lives with greater and greater financial losses for Connecticut citizens. Les Bernal the National Director of Stop Predatory Gambling states, "No single policy reform will create more financial piece for low to middle income citizens than reversing the current scheme of turning millions of people who are small earners who could be small savers into habitual betters."

Commercialized gambling is very different than other businesses. You purchase a meal or a movie or

entertainment ticket that's what you get in return but commercialized gambling what you receive is the lure that you're gonna win money but this financial exchange is mathematically rigged against you deliberately so that the public loses.

In Bridgeport which is my birthplace and the site of our first home we purchased when we were first married, it is a very economically under-resourced community in Connecticut. And there is a desperate need for economy opportunity for systemic capital and job investment and real economic growth drivers. But gaming facilities and online gaming is not that silver or gold bullet that it's corporate marketers proclaim it to be. It is actually the opposite. It preys on those economically desperate. It offers the promise of instantly changing a person's or family's economic fortune and it's such a powerful incentive that it eclipse all rational warning signs.

Because of the crushing economic inequalities suffered right next door to communities with the apparent lavish wealth and advantage it renders this promise of instant winnings and upgrade to the middleclass or to a whole different economic class even more cruel seductive and irresistible because there is not equitable economic alternatives available and that is what we need to see especially in my town of Bridgeport. I am deeply impressed with Bob Kristoff and RCI's investment in the beautiful mixed use development of Seal Point Harbor, it is beautiful and growing and as I told 'em I'm all about the destination and entertainment shops and create recreation but just not the casino

gaming portion of the economic growth in that development.

Bridgeport's potential and revitalization is not gonna be made on the backs of economically desperate underemployed workers who try to make winning their game strategy back into the middleclass. We have many that can benefit from investment and renewable wind energy supply port, advanced manufacturing hub, healthcare talent research and training lab and our many universities but not gaming. It is a lapsing economic model, a highly addictive problem behavior with devastating consequence. Let's study the true cost like Bob Steele said and conduct clean independent research not corporate research to inform our policy before it's too late. Thank you.

REP. VERRENGIA (20TH): Thank you, Representative. Any questions? Representative Sredzinski.

REP. SREDZINSKI (112TH): Thank you, Representative Hughes for being here. In, on the Bill you're supporting the study Bill, do you believe. Let me just ask you without quoting anyone. Who do you believe or what agency should conduct that study?

REP. HUGHES (135TH): Oh, that's a great question. I think we really have to make sure its independent not corporate, you know, funded by the gaming industry. I think some colleagues here have some good suggestions of who could be qualified and independent to conduct that. I don't have the names of those.

REP. SREDZINSKI (112TH): I would agree and that's what it comes to is we've had other studies done by organizations that have been around, surrounding gambling and while they may know the business, they

don't look at all the other impacts that you may see. In your career and your job up in Bridgeport what kind of impact have you seen in the addiction of gambling specifically?

REP. HUGHES (135TH): It's really, it's really an issue of proximity which I am very concerned about. All of this expansion is creating this proximity both here but also right in the, you know, community because currently, yeah Foxwoods' and the Pequot are beautiful but you've got to go there to, you know, enjoy that. It's like very intentional and this brings up proximity right into everyone's home or place of business or wherever they are and there is such low insight with addictive behavior. I saw on a billboard on the way here, it says, "Connecticut Lottery" and if you have problem, it's one the same billboard, it says to call for a problem gambling here's the hotline. No one thinks it's a problem. No one is gonna look at that as a problem gambler or addict because that is part of the addiction. And so we have, like I said, a very, very disparate in economic disparate situations that turn to this as a way out of debt, as a way out of, you know, going to lose their home or the rent, it doesn't work, it's a promise of that but nobody, nobody wins big in terms of instantly getting into the middleclass or staving off, you know, losing a job or something like that.

This is not real economic drivers and so get lured by heavy marketing when they even pull the slots that says, "You won" well what you win is not money but more chances that you don't have to pay for. Your brain is like, you know, sensing as a dopamine rush as a win and it hooks you into more until you lose all the winnings that you get and that is what

we see over and over is that people who are more desperate because of their economic disparity. Bridgeport has one of the worst economic disparities in the country and so we are especially vulnerable. We're especially vulnerable to that problem gambling that I am very concerned about and that really needs to be studied because it's not just about Connecticut expanding, it's about putting, siting these expansion and proximity in incredibly vulnerable economic disparity communities that have suffered from underinvestment and this is not the way to invest in that.

REP. SREDZINSKI (112TH): In your experience as social worker do you feel that gambling addiction is as worse as some of the other addictions whether it be drugs, alcohol, etc.

REP. HUGHES (135TH): It's weird because it doesn't necessarily co-occur. It occurs in people that are not addicts in the other areas and probably would never be but because this again, comes to people that are in their own home and they are given free chances, free subscriptions to kind of spend more time on game or on time, you know, that they are not necessarily drug addicts or anything else. They become that because of the, you know, the seductiveness of the way it's designed. The way it's designed is to increase your time on the device or at the, you know, at the gambling, you know, platform and to just spend more, and more, and more, and more of money that you don't have. So it's very interesting. So I feel much more in older adults that I'm working with that aren't necessarily addicted to anything else but then they become very addicted to their economic deterrent and, you know,

become all kinds of problems especially with debt and collections and things like that.

REP. SREDZINSKI (112TH): So one of the reasons for the proposal for facility is for development, jobs, so what would your argument be as far as someone on the other side of that kind of a cost benefit analysis if you could just to kind of talk a little bit about what you feel the costs would be ultimately to the City.

REP. HUGHES (135TH): Yeah, well like I said to Harbor Pointe Development, I love the vision there, the walkway around the, you know, the public walkway and the, you know, opening up of the waterway and, you know, restaurants, and shops and it's a lot like the Harbor View in Baltimore, I don't know if you've gone through that, Harbor View, it's beautiful and let's keep developing those destinations and attractions, recreation and mixed use, you know, shops and shopping and entertainment. I'm all about that. Like let's bring people in to that value where you're and create jobs around that where you're coming for, you know, like I said the real economic growth drivers which are like a meal, or a show or, you know, a party or something but when you're really creating this massive expansion so that people don't have to potentially, you know, make plans and travel there, it's just 24/7 and especially for young people that cost is not readily apparent until it's too late. That is my big concern. That is why we got to do the study first because the social costs, you can't measure them until you're paying them.

REP. SREDZINSKI (112TH): Okay, one final question with your indulgence, Mr. Chairman. Have you heard

feedback from your district about this Bill, have any of these concepts going forward?

REP. HUGHES (135TH): They want them because we're so economically desperate for investment. We want capital investment, we want those jobs. I'm just saying let's look at real economic investment instead of this very seductive short-term, you know, the short-term building jobs and trades and so forth. We could be up for, you know, advanced manufacturing, for renewable wind energy supply, tech innovation corridor, healthcare, research training innovation and we have several hospitals and several universities. We have all kinds of opportunities to invest in this area. I don't think gaming and casino expansion is at all worth that kind of investment.

REP. SREDZINSKI (112TH): It kind of sounds like you're talking about Bridgeport. I was more referring to the 135th.

REP. HUGHES (135TH): They are a little bit neutral about it, no huge fans of seeing a casino in Bridgeport for concerns like that I'm sure you're hearing in East Windsor. Are you from that area? I mean it, it's not coming up as like a big, big, but again there is a lot of people that work in Bridgeport that are from the 135th and those concerns are more aligned with what I've just testified about.

REP. SREDZINSKI (112TH): Thank you for taking the time, Representative. I appreciate it.

REP. VERRENGIA (20TH): Thank you. Any other questions? Seeing none, thank you very much, Representative. Next up, is David Foster and Kevin,

okay, followed by Senator Somers. Somers, is Somers here? Was going to the public, I didn't see you in the room. It's okay, you're sitting in the seat, she beat you to it [Laughter]. That was quick. I didn't see you in the room, Senator.

SENATOR SOMERS (18TH): I didn't want to cut you, you can take my place. I promise I'll be quick.

REP. VERRENGIA (20TH): That's okay. Go ahead.

SENATOR SOMERS (18TH): Thank you. We don't get priority because we a legislator and I apologize if I stole your spot. Well thank you for letting me go out of order and thank you to the Chairs and the distinguished Members of the Public Safety Committee. My name is Heather Somers and I am here to testify in support of SB 21.

I have been in front of your previously and I think it is very, very important not only for the State of Connecticut but for our reputation as a State of having a relationship with the Tribes for over four administrations. This will be the first administration were it seems to be not going in the manner that we should want it to go here in the State of Connecticut. Our Tribes have been unbelievable partners for the State of Connecticut. They have contributed nearly \$9 billion dollars to the State of Connecticut. Think about that. That is almost four budgets here in the State of Connecticut, that they paid for almost four budgets. And they have done this all along by filling a gap or a hole that we had in Eastern Connecticut years ago when our largest defense contractor that we were solely dependent upon, Electric Boat, had a significant downturn. And I can say that I know

personally people that were let go or laid off from Electric Boat that had no opportunities here in the State of Connecticut. They were desperate, looking to move out of the State and just at that moment, our Tribes filled in the void.

Since then they have been fulltime employees, they have grown up through the Tribal System, they have gone on to become whether it is a dealer or pit manage, they have retirements, they are sending their kids to college. Now their kids are working there. This is an opportunity that we have here in the State of Connecticut and a relationship that we need to treasure, that we need to be a willing partner in helping our Tribes expand for the opportunities that they see on the horizon here in our State.

You heard a little bit today about what the Tribes do and how they contribute. If you look at the job creation, if you total it up all together it's close to 20,000 people in the State of Connecticut are employed either for the Tribe or in conjunction with the Tribe. I happen to represent towns that nearly 65 percent of the people that live there are connected to the Tribes and I know some of your also do. It is imperative if you think about it, if this were any other business in the State of Connecticut we would be bending over backwards for them to have the landscape that they need to be able to grow and to increase job opportunities and to be successful in the State of Connecticut.

We hear a lot about trying to get new industries here, about growing our economy, about what we need to do and what segments of business we should be in but yet we have one right here that is looking to

expand and we're having a conversation on whether we want to let them do that or not. We would not be doing this if this were a biotech company, if this was a defense contractor and the discussion and the decision to have gaming in the State of Connecticut happened years ago. So I would ask people to think about it and not weigh.

I personally was at an event this past weekend where I saw Rodney Butler there contributing for his local school. A fundraiser that him and his wife helped put on, raising money for one of our local schools. You see them everywhere. Whether it is the hospital, whether it is you've heard TBCCA, whether it's for our aquarium in Mystic, all these things that really you can't put a price tag on. If you need help in a community organization or for nonprofit the first person or the first people you think to go to are how can the Tribes help. And I have to tell you nine out of ten times they are willing to help. That is something that again is really difficult to put a price tag on and it is something that they don't really talk about nearly enough.

The other thing that has not really been brought up today is what they've done to really expand and make Native American History available to anyone who visits this area. Their museum is spectacular, they pow-wows are amazing, I invite all of you to attend one. It is a part of our culture that should not be left behind. It is rich and deep rooted and it is something that if you've never been there, it is an experience you will not forget. These are the people that had this land before we were here. And

they have been just a huge asset for the State of Connecticut.

Unsurpassed for any other corporation they contribute more money to the State of Connecticut than any corporation does. And yet we are having a conversation here about whether we are going to empower them to expand in the way that they see fit because we are not the experts, they are, yet if this was any other business organization we would not be asking that. So I urge you and my colleagues to support this going forward. Again, for me, we have had four administrations that have respected this deep relationship that we've had with the Tribes and I can only hope going forward that the Legislature and the current administration will see forth to make sure that continues. And I am happy to answer any questions.

REP. VERRENGIA (20TH): Any questions? Seeing none. Just a question, I appreciate your testimony, you weren't here in the room earlier cause similar things were said as well. And I think from where I sit, I just want you to know that when we ask questions about our future gaming policy it is not questioning the value of our Tribes and the partnership and the history of it. The gaming landscape has changed over the, you know, 30 years since the Compact was written, so as a Committee of oversight I think it is incumbent on us to not only represent the interest of just the Tribes but there is other gaming interest here in the State of Connecticut. So they need to have a voice as well and this is the democratic process, this is why we are having a Public Hearing to discuss this and I am not sure by your insight as far as the Governor's

office is concerned and what that relationship is but the relationship that we historically had here in the Committee for those who we agreed or disagreed it was always with the utmost respect. So I appreciate you coming today and testifying.

SENATOR SOMERS (18TH): Thank you and if I could just add it has been nice to have bipartisan support on these Bills and on the support of the Tribes and while I would agree that gaming has changed in the State of Connecticut over the past 30 years, I would disagree that our Compact should allow us to entertain having other entities look into gaming opportunities here in the State of Connecticut. I feel that Connecticut made a decision years ago to give this to the two Tribes and as gaming expands it should be offered to the Tribe and the Tribe only, that is the way I see it. I know people don't agree with me, but I just wanted to make sure that I said that it's nice to see bipartisan support and this I think we need to look at as a probusiness opportunity for the State of Connecticut and for the Tribes and for the people that work here and have their own employment opportunities. As you've heard these two tribes and these casinos touch all of Connecticut.

Granted I live in Eastern Connecticut and I represent Eastern Connecticut which is probably more intimately affected than others and we have found a way and a positive way we live simultaneously and cohesively with the Tribes and I do believe that the benefits of passing this significantly outweigh any negative that somebody could bring up, so thank you. And I do appreciate your looking, I understand you have to look at everything and it's important to me

that we maintain our word as a State. We have seen time and time when individuals go back on their word when government goes back on its word, I want the State of Connecticut to maintain the relationship it's had over four administrations and make sure we do the right thing. Thank you.

REP. VERRENGIA (20TH): And just a follow up, you weren't in the room I don't believe but when you talk about going back on your word, I don't look at that. I just couldn't disagree with you more in that respect particularly when it comes to the sports betting, Senator because back 30 years ago sports betting wasn't even considered so fast forward to today, really that is where the debate lies and we can agree to disagree and I appreciate that. I really do but you know, taking it to the next step and say we're going back on our word, I'm not so sure that's the case, but we will leave it at that. thank you very much. Oh, I'm sorry. I'm sorry, Representative Ferraro. Go ahead.

REP. FERRARO (117TH): Thank you and thank you Senator for your testimony and I'd like to align myself somewhat with the comments of the Chair and I do have a couple of questions. We are describing a relationship that was established 30 years ago and I think the State has done a very good job of maintaining it's part of the agreement with the Tribes. And as the Chairman just stated, it would be impossible 30 years ago to even begin to understand the effect of internet and such things as online gambling and sports betting and one of the questions I might have is what type of income do you see total income do you see as being derived from

online gambling and sports betting going forward in the future?

SENATOR SOMERS (18TH): Well thank you for that. My first response about things 30 years ago I would have to say, although not on my line I think sports betting has been going on forever. We've been betting on horses teams since, you know, my grandfather was a little boy, so I think that has been around forever.

As far as things changing over 30 years, that's true, things do change. You know, marriages change, relationships change but you don't throw out your marriage because things change. And I feel that if the State of Connecticut is in a partnership or a, you know, a marriage so to speak with the Tribes, that is the way I look at it. I realized that not everyone is going to agree with me and maybe I feel that way because I see the impact so intimately as do other Senators that represent Eastern Connecticut and we see the positives, and the influence and the opportunities that our citizens have gained from having these two Tribes work together.

And as far as the potential revenue of online betting I have no idea. I don't know how you put a number on that. I'm not somebody who is a gambler so I actually couldn't say that. I am sure there are numbers out there and I'm sure that the potential is large. However, again I feel if you make a commitment even though some things may change, which I feel that we did, again people may or may not agree with me, that we have to honor that and I think that comes along with what we've seen after the, over the past four administrations and the relationship that we have had with the Tribes

and that is why I would like to support this Bill and have it go forward.

REP. FERRARO (117TH): So assuming that online betting, sports betting was opened up and not given exclusively to the Tribe, I still fail to see how we would be failing in our agreement with the Tribe in that we did agree to allow them the casinos and in return we got 25 percent of the slots which has been a decreasing source of revenue based on competition in other states and what they are doing and it appreciative that, I can appreciate that Eastern Connecticut has benefited quite a bit from the Tribes running casinos in their area and the job market being what it is but the elephant in the room, pardon the expression, is that many of us come from other parts of the State and we do not see the same benefit that Eastern Connecticut sees. The job market isn't as lucrative for us in West Haven or New Haven or Bridgeport or Fairfield County with regards to gaming. And so there is many of us who feel that, you know, you've had 30 years of a boondoggle so to speak and it's been exclusive and the rest of the this State deserves an opportunity to participate and the residents deserve an opportunity to be able to participate in a growing job market and so is don't see going forward if there were an open opportunity for other areas to participate in sports gambling and online betting, that it would interfere at all with the Compact that we have with the Tribes at the moment. So if you care to comment on that, I'd appreciate it.

SENATOR SOMERS (18TH): Again, I think this is, you know, respectfully just disagreeing with the way that we interpret the Compact that we have. You

know, I will respond in saying that although I live in Eastern Connecticut and the Tribes are actually physically there, you know, we need to put it in context, it is the State of Connecticut that has benefitted not just Eastern Connecticut. When they get \$287 million dollars every year from the Tribe, that is not to Eastern Connecticut that is to the State of Connecticut and we should be doing everything in our possibly we can. If their revenues are declining and they are asking us for an opportunity to expand just like we would if we were, you know, a biotech company or we were Electric Boat we would help them create the landscape that they need to be successful so that in essence we, the State of Connecticut can reap the reward in the dollars coming back to us. And I think to call it a boondoggle would not at all be the language that I would use. This has been a huge multibillion dollar investment in what these casinos have, you know, put in to be able to provide the atmosphere that we have in Eastern Connecticut so I would not, that's not a term that I would use, you know, respectfully. I think they have worked very hard and when things turned down they tried to do things like create a mall so that people can go to the mall for a different avenue.

And when you go to the casinos it's like an entertainment experience. It's not, you know, we focus on the gambling part but we're not focused on the fact that this is a huge tourism driver for the State of Connecticut. We know people through Mystic Chamber that come here just to go to the shows. They don't even gamble or they go out to the restaurants and so therefore, you know, I think it is important to put it in context and think of it a

little differently. So, you know, we will continue to go back and forth on how we interpret it and, you know, I just interpret it a different way, so I hope people will support SB 21.

REP. FERRARO (117TH): Thank you, Senator, for your comments and maybe boondoggle was a little bit on the strong side but you know, I'm sure people in Eastern Connecticut look at the benefits derived from the Tribes and the Casinos a little bit different than they would say in Bridgeport or Stamford. So, I myself, I'm not a gambler but I do enjoy the extra activities and the entertainment portions that are there. But these are not things that should be exclusive to the two casinos. I mean there are many communities in our State that would love to be able to provide entertainment on that level and entertain having folks come in and spend money in their community and what have you. So my point is, is that, you know, \$200 million dollars is certainly a nice chunk of money and Connecticut has a whole certainly benefits from it and I wouldn't be one to say, hey let's throw \$200 million dollars away but I might consider, you know, saying to myself well if that \$200 million dollars wasn't there and the Tribes were conducting business with our blessing and we were to open up gambling throughout the State, how much effort would it take to be able to replace \$200 million dollars and so especially since that is a declining number. So I'm not quite sure that, you know, keeping a 30 year agreement and making it exclusive and depriving the rest of the State from the opportunity to participate is a very progressive idea. And as far as supporting the Bill I'm not sure I could support the Bill but thank you very much for your comments.

REP. VERRENGIA (20TH): Thank you. Senator Osten.

SENATOR OSTEN (19TH): Thank you very much, Senator for coming up and for your good work that you do in Eastern Connecticut, appreciate what you do. I just want to sort of talk to you a little bit about the number of jobs because we've had many meetings about the jobs that are at the two Tribal Nations and the gaming institutions and I know, that you know that 140 towns send workers to the jobs at the two Tribal Nations, 140 towns have people that work there. Could you talk a little bit about the diversity of locations that people come from that work at the Tribal Nations and the gaming institutions?

SENATOR SOMERS (18TH): Sure, well as you know, I try to stress that they come from all over Connecticut, the workers, but they also come all over the world. I actually personally know two people that are from Peru that came to Connecticut and they are gainfully employed at our casino and have enjoyed the benefits of the American Dream here. That's the same for many folks that come from Asia that have come and they've integrated into our community and what's happened in Eastern Connecticut is many of our school systems teach many languages because when they first come here they are not a native speaker of English so although that might be difficult for some of our schools to be able to teach 26 languages as some do, it creates an atmosphere of an international extremely diverse community and that's what we have in Eastern Connecticut and I think that is a wonderful experience for all of us and it broadens our perspective and it also adds a great flavor to the State of Connecticut to have that kind of

international flare and influence throughout our State.

It is important to keep in mind that again, people just don't come from Eastern Connecticut that work there, there is many that come from many other parts of the State of Connecticut and again, this has been an employer that has provided now generations of opportunity. And I will say that, you know, as you said, Representative Ferraro there are other opportunities in the State of Connecticut. I am all for other towns trying to bring tourism dollars into the State, having them stay there, but it doesn't have to be through gaming. It can be through other ideas that we have here in the State of Connecticut.

One thing that I didn't touch on was how influential and how helpful the Tribes have been in our Eastern Tourism District. They have really tried and it has faltered through the State of Connecticut, some of the trouble we've had, but they have really tried to generate people not coming just to Eastern Connecticut but to THE STATE OF CONNECTICUT, to visit our State, to put tourism dollars into our State. I know many people that spend weekends whether it be in Mystic, Connecticut and then going up to the Green Valley to enjoy Pachaug State Forest and visit the casino but they would never come here if it wasn't for the destination of having all of that under one roof.

It is important to again, keep in perspective this is not just about gaming. This is about the potential of having a potentially negative impact on a 30 year relationship that we have reaped the reward of on many, many, many levels. And I can't help but equate it a 30-year-old relationship that

changes over overtime and that you try to grow together. I don't want to throw, you know, this relationship away and try to start over for the hope that the next one is going to be better. I personally don't think that is a wise choice.

SENATOR OSTEN (19TH): Thank you very much, Senator and again I appreciate your work for Eastern Connecticut and Connecticut at large.

REP. VERRENGIA (20TH): Thank you, Senator. Next up is David Foster. Oh, I'm sorry, Senator. Senator, I'm sorry, I apologize. There as a question for you from Representative Morin. I'm sorry, Representative.

SENATOR SOMERS (18TH): That poor guy thought he was actually gonna get to talk.

REP. MORIN (28TH): Hello, Senator. I'm sorry to make you move back and forth. You gave a great analogy about the whole relationship thing in 30 years, I laughed because I'll be married 36 years in September and, you know, I'm thinking my poor wife for one, but you know, I think over our 36 years we've both made adjustments, concessions, and we've done all kinds of things to keep our marriage strong and I think if both of us took a hard line on every issue we would not have been as fortunate to make the 36 years. One thing, and I've listened to Senator Osten and I've certainly listened to you. I respect both of you and I really love going down to both of the Tribal Casinos. I've gone there for concerts, athletic events, my wife loves to shop and I enjoy many of the aspects of it. But that's not where I'm going.

I'm just looking at a big picture of why the exclusivity of doing online gaming, sports gambling, why? Because right now, I can go to an OTB Parlor and throw my money to the horses or Jai Alai and I don't know if I can do that at the Tribal cause I've never done that. Do you know if you can or not?

SENATOR SOMERS (18TH): I'm not a gamble, so I.

REP. MORIN (28TH): But my point is and I guess going there, like I really want to support the Tribes and if this Bill came up I would probably vote for all the Bills so we could continue to have the discussion but as I said to the Chairman, Chairman Butler the last time, my alarm clock is gonna hit six and I'm gonna here *I Got You Babe* and we are gonna be nowhere because it just goes on, and on, and so how do we. I don't know that we're hammering the daylight out of the Tribes by asking them to partner and allow online gambling to be spread to other people if in fact some people may just say, I don't want any online gambling, I think it's horrible. I get that. But I know they are great resorts for our State, right, we've had the money from the Compact, your district, Senator Osten's district have benefited and I think that has to be applauded for the jobs they provide and what they bring to the table. But on the flipside the people of Connecticut, it has also helped them succeed, right. This place, it wasn't built by winners, the Tribes have benefited from the people of Connecticut and the surrounding region by going there and supporting them as well. It is a partnership.

So how do we get everybody into a room and say, listen I would happen to agree that we should not

allow an offsite casino from another group to do any of the games that the casino gambling but on the flipside there is something that the State of Connecticut does not currently have, how can we say that one group has an exclusive right over another? And you know, I really appreciate the passion that is brought to this but I'm having a hard time getting past that.

SENATOR SOMERS (18TH): Well I guess my response to that is when these casinos were first established I think we just had Bingo. We didn't have all these other games, right. It was done out of a trailer, I believe on, you know, a small little piece of land outside of where the casino is now, so, you know, as things change again the system, just my opinion I feel that we made an agreement on gaming whether it be sports betting, whether it is Keno, whether it is some new game that comes up, whether it's all the card games that I don't know all the names of them, so I can't come up with them, but roulette, whatever the games are, roulette, blah, blah, blah, but those are all inclusive of gaming and that is how I see it. And so why not give the people that you have partnered with, and you have a relationship with, and you have worked through four administrations with in a positive and beneficial manner, why not give them the opportunity to bring out online gaming and to have the exclusive and goes along with I feel we signed up for years ago and see what the State of Connecticut reaps in the reward. I mean we have worked with them down this path for years and years [mic dead]... but guess what, I want to bring this new person over here because I want to see how this is gonna workout because I think we should, you know, open it up and have an open marriage. I don't think

that is the way to go, I think that is not the relationship, maybe that was a little bit of a bad analogy, but I couldn't think of anything [Laughter].

REP. MORIN (28TH): Yeah, I just don't know where to go with that one, Senator [Laughter]. I'm gonna try to keep myself focused.

SENATOR SOMERS (18TH): I don't know if that would go over well with anybody's staff. So I'm just saying that is the way I try to come up with an analogy on that because that is what I feel like we're going. And again, Eastern Connecticut, yes we have reaped probably a more significant benefit by having the employment there but there is employment all over the State of Connecticut, its more concentrated there. But we also, I want to remind everybody that this Pequot Fund that we have funds a lot of the cities and other areas of the State of Connecticut and actually my towns that are directly connected to it get probably the least of anybody else.

So when we're talking about fairness in the State of Connecticut that also has to be put in perspective and our small communities also are teaching children in many different languages. They are hiring tutors, they are doing things that are not really captured and yes, we probably have a more concentrated benefit but we also have a more concentrated effort to make sure that those who are brought in from overseas or different states are cared for in the way that they should every other citizen in Connecticut. And yes, Connecticut citizens have contributed to their success but also there's thousands and thousands of millions of

people who've visited that are not from the State of Connecticut that they have brought in, you know, from other states and all of Connecticut has benefited because those people not only stop there but they visit other parts of our State. So you know, I think it is a philosophical decision on what you feel is the best way to go but, you know, I'm advocating for the Tribes that I have come to know personally and also for Connecticut. I don't want us to make a bad mistake and have, you know, second thoughts on what we've done and we have a record of having a great relationship through four administrations and legislatures and I hope that that will continue.

REP. MORIN (28TH): And I really appreciate your advocacy. That's what we should do. Again I'm not even saying leave them out of it. I'm saying if the people that are out there now that are doing things like OTBs, there's 14 of them I believe operating in the State of Connecticut, I'm gonna say it, I don't have a horse in the race per se but I still think that I want to go out, I'm old, I'm not sitting there on my phone placing online bets, but you what, I might want to go out with my buddies and have a club soda and throw something down on a game. Why can't I have that same opportunity? Why can't the Tribes and everybody else sit down together and find a way that everybody gets a piece of that pie? That's what I'm asking. And I understand, I don't expect you to necessarily agree with me because I get it, but to me as a consumer I want to be able to be in a place of convenience and I don't find this plan necessarily to be convenient. But I, the one thing I do, is I respect your advocacy and I understand it and, you know, I hope at some point we

can get somewhere but to be clear, this is not a slam or a negative depiction of the Tribes, it is not at all, it's just I'm looking to me as for the consumer how can we best serve them and I am not sure that plan does it but I'll listen and I'll keep moving. Thank you, Senator.

REP. VERRENGIA (20TH): Senator, you better get out while you can [Laughter]. Thank you, Senator. Okay we're gonna try this again, David Foster and Kevin McGinnis. Good afternoon, if you could just introduce yourself for the record please.

KEVIN MC GINNIS: I am here with my colleague Dave Foster on behalf of all five Players Associations and the players we represent who are likely going to be the face of sports wagering in this State and around the country. The concerns and issues we raise with you when we have testified before, have not changed they are just as important today. Personal safety, a fair investigative process, protection of personal health information all are essential to ensure not only the protection of players but also the integrity of the sports on which you are authorizing wagering. We hope you will include language addressing these issues along the lines of what we recommended in the legislation as it moves forward.

Other states have done so. Some have done it with statutorily others have addressed it in a regulatory fashion, often in these cases the burden really falls on the leagues and the associations for much of the work but having this language in the legislation and now in the laws hasn't helped to ensure that these sports, I mean these structures in the states are more effective and provide greater

protection. Also our concerns we once shared with you are no longer really hypothetical. Since we last testified we had a guy, I believe up in Massachusetts who was convicted threatening to kill players because he had lot bets. We have a better who phoned in a bomb threat on a nationally televised college game he was going to lose and we see in baseball lawsuits now from better who are upset with what has happened in that sport. We look forward to working with you, we've outlined language in our submission in written testimony. We hope you will give it consideration. Dave.

DAVID FOSTER: Good Afternoon, everyone.

REP. VERRENGIA (20TH): If you could just hit the button, there you go.

DAVID FOSTER: Good Afternoon, once again my name is David Foster. I am the Deputy General Counsel of the National Basketball Players Association and I along with Kevin represent the major sports unions. I know that speaking on behalf of pro athletes is a little bit difficult because a lot of times people view athletes as not the most sympathetic party because of the salaries that they make due to their hard work playing sports. However when it comes to sports betting I think that our professional athletes are in a unique position to in a lot of way to be adversely impacted by the growth of sports betting. Kevin has talked about a couple of issues, I'm gonna highlight a couple others.

One issue that is near and dear to my heart is going to be the investigative process. Prior to this current job I was a prosecutor at the state and local levels for over 11 years. So when it comes to

the issue of investigating discrepancies, investigating match fixing or attempts to bribe players who is going to do that? And by that I mean for example, suppose there is professional athlete that lives in Connecticut, happens to travel to New York. While he is in New York he is approached by a resident in New Jersey and that resident attempts to bribe that athletic who happens to be in New York. Where does that athlete report it to? New York, Connecticut, New Jersey, all of them, who is gonna take the lead and investigate. If there is actually substance behind it and someone is going to be prosecuted who is going to lead that prosecution? And so while that's obviously very important to that player because they are going to be subject to that investigation there are going to be costs incurred. It's also very important to those states because the one thing that we can all agree upon when it comes to gambling is that the integrity and the assurance and the confidence that the citizens have in the betting is going to determine how much revenue is going to be made. How much people are gonna spend? And so if New York investigates things a little bit different from Connecticut or if the punishments here are more or less severe than other places and now betters feel as though things aren't on the up and up, it's going to be a problem and all the hard work that everyone is putting into potentially passing these laws, is going to be in vein.

The second issue is when it comes to biometric data. As you know, most betters are going to be very interested in getting as much information as possible about the game that they are interested in betting on, about the player, the participants. What has come to light is there is a growth and

interest of biometric data belonging to athletes. By biometric data I don't mean the box score, how many rebounds, how many points, etc. What we mean by that is the heartrate, the sweat rate, the hydration levels of athletes. We know at some point in time and actually that time has come where better would like to know the real time biometric data of athletes and use that to place wagers. For example, at some point in time a player would like to know, a fan would like to know when a player is at the free throw line, what's that player's heartrate. The heartrate is up maybe he will miss. If the heartrate is down maybe he will hit it. We are very concerned for players that property should remain the property of the players. We know there are HIPAA Laws that protect those however, what we don't want to happen is at no point in time during collective bargaining processes should a union or a player be forced to give up that information for the sake of a better deal. Now, I'm not saying any league has ever proposed that they would do that, however they have never proposed that they would not do that. No player, just like no employee, nurse, fire fighter, police office, etc. should be forced to give up such personal data or risk losing wages. If you're so inclined, I just have one more point if you give me 30 more seconds.

And that is the point when it comes to a royalty fee. I know that is a topic a lot of people are not interested in and the one thing I like to say we are not discussing an integrity fee, our players do not to be paid to be honest, they have to be paid to play hard. However when it comes down to it, this is a new business that is gonna proliferate throughout the country and millions of people are,

millions of dollars are gonna be made off the hard labor of the athletes and also the leagues that have to ensure that the games are played properly. And just like any business there should be compensation. The issue is not, we're not trying to ask the State for any money, what we are simply saying is just like the betting operators are gonna pay for the technology, the security, the machines everything, they will willing pay the licensing, the betting operator should also be willing to pay a small fee to the players to compensate them for that labor. I'm sorry, I have one more point.

The downside of the betting for all this that some player, at some point in time is gonna lose their livelihood because they are falsely accused of fixing a game. That is almost sure to happen, if we all can agree that is gonna happen at some point in time what is the upside. One of our propositions, one of our proposals is that if there is a lack of interest in simply giving a portion of revenue to unions, for them to be distributed to players, is that players are actually very philanthropic and players have their own foundations and the unions have foundations. And in partnership with the various states there is a way that money can be given to players and through their foundations funneled back into communities. We have programs such as college reimbursement for players. So for example if a player lives in this State and wishes to go back to school that money that has been provide from the betting operators to our foundations is then provided to that player to go back to school or to do good in the community. Thank you.

REP. VERRENGIA (20TH): Thank you Are there any questions? Representative Ferraro.

REP. FERRARO (117TH): Thank you, Mr. Chair and I was not around for your previous testimony. From the sound of what I heard I wish I was. You raise a lot of good points cause there is always unintended consequences of everything we do. One thing kind of struck me and we're talking about the amount of money that will be raised from sports betting but would that go, would you be able to say that even though we don't have state regulated sports betting at this time, that we don't have sports betting?

KEVIN MC GINNIS: I would be happy to jump in. People bet on games and people have been betting on games for quite a while. What is different though and what's happening is we are not across, and I'm not talking just about Connecticut but obviously around the country we are now encouraging sports betting as never before. We are now facilitating it as never before. We now have the State and other states but the state behind it, and it is a much different landscape when you're talking about sneaking a bet under cover with a bookie and where the State is doing everything it can to encourage you to bet. It is a much different world.

REP. FERRARO (117TH): I agree and it probably will increase the incidents of sports betting and certainly the awareness of how and where to do it. I myself don't, but a lot of my friends do and what I've been told is that a lot of the bets end up starting in Connecticut but they end up on some island somewhere and it's rather a prolific business with no oversight and no regulation. So I am wondering that is the trade-off of increasing the

awareness and incidents of sports betting worth the regulation and taking into consideration some of the things that you bring up and put into statute that would make sports betting safer for the participants in the sports as well as the people involved in the betting

DAVID FOSTER: Sure, I think that we're not sitting here saying that we are against sports betting. I think we all understand and appreciate what you're saying that the value of bringing it to light and then having precise guardrails and regulations in place that could be beneficial. We're just saying that if it does happen there is gonna be an increase, there is going to be comfort level and now harassing players more, there is a freedom that now I can accuse a player of anything because it's legal. I can come out of the shadows and so if that is going to happen there simple, I can't say simple, but there are important steps that should be taken by each state to ensure that increase in threats, that increase in harm to the community and to the sport actually does not happen.

REP. FERRARO (117TH): Thank you for your answers and I just brought these things up because it's a stimulating conversation and I've often thought about our State solving our fiscal problems on the backs of gamblers and legalized drugs and increased alcohol sales and often wondered if that wasn't the way we should go but then on the other flipside I've understand that in the case of sports betting it's happening anyways. And Connecticut is not deriving anything from it and there is no regulation or protections for not only the players but the people that are actually gambling, there's lots of fraud

taking place that doesn't protect them as well. So I often wonder if on the flipside it might be beneficial to bring it out of the shadows and bring it forward and regulate it. But I thank you for your comments.

REP. VERRENGIA (20TH): Thank you. Senator Hwang.

SENATOR HWANG (28TH): Thank you, Mr. Chair. Thank you for being here. Now you are representing the Professional League Players Association, right?

KEVIN MC GINNIS: Correct.

SENATOR HWANG (28TH): And I think one of the basic foundations following my line of question is really about the integrity of the games which you represent. So let me begin from the standpoint of what is your opinion on college athletes and the sports gambling because last year our previous version had precluded or excluded college teams, minor league teams and I believe even high school. Do you think they should be included or do you think from a League standpoint in sports betting we should really refrain from those specific categories and exclude them for protecting the integrity of the student athlete experience?

DAVID FOSTER: Like I want to emphasize that we are primarily speaking here on behalf of the professional unions. I think just in terms of maybe providing guidance about the difference I think that the amount of protections that the professional athletes will need, that needs to be quadrupled when it comes to college athletes because they are in a much more vulnerable position. I mean I could use an example if you're an outgoing senior on a basketball team and someone is giving you, I don't

know, ten *Domino's* pizzas, I mean who knows what you're gonna do, right. So it's a huge risk when it comes to the NCAA however I will say we have not dove into the precise risks but if you are interested in it the regulations have to be even more heightened when it comes to college sports.

KEVIN MC GINNIS: Senator, we obviously have strong unions that protect professional players. The NCAA athletes do not. And I hope that as legislatures address this issue they will take great care because the consequences for these unrepresented individuals is high. They are facing some of the exact same challenges our members are going to have to face.

SENATOR HWANG (28TH): And in reading your testimony it is interesting going back focusing on the integrity of the game. You talk in Section III Investigations and Allegations, how would make these kind of investigations. Having been a former ball player, look there are good days, there are bad days, there practice, there are games that don't really have significance and then there are the playoffs. How do you investigate and quantify performance to see potential irregularities occur? Athletes and competition has no form, has no script so you're saying to me somebody who shoots 95 percent gets on foul line, they get a sports commentator who curse him first then they miss that shot, right? But how are you truly going to investigate and quantify due process in these kind of situations athletic endeavors which there is no pattern and I know you cited biometrics but believe me, I would tend to think they would be inadmissible from a HIPAA but also the fact is different people function differently, have different heartbeats,

different reactions, it's sports. It's live action, it is unpredictable but if somebody is gonna throw a game, it's as easy as doing an OLA defense on a layup or missing a foul shoot or shot that they normally would make a thousand times. It's that easy. How are you going to every investigate and quantify and finding out if somebody cheated the system and undermined the integrity of the game?

DAVID FOSTER: I agree, it's gonna be extremely difficult and that's why we are here not necessarily advocating for the passage of any bills for sports betting or are we advocating against it. We are simply saying that if you are inclined to do so, that is an issue that we would like to be at the table with you to discuss exactly how those investigations should happen, exactly what type of evidence should be use and exactly where it is going to come from. I know that there are a lot of betting operators that have said, "trust us" we will provide the State or we will provide the league with the data and we are going to signal when something is off. Our position is perhaps their data is accurate, perhaps it should be part of the analysis but that should not be the sole analysis. It is going to take a group effort in order to prevent these inconsistencies and to provide the adequate deterrents. So if this body is inclined to allow sports betting it is going to take a group effort to make sure that doesn't happen.

SENATOR HWANG (28TH): Thank you and a couple specific questions related to Major League Baseball. You've now entered it into a sponsorship agreement with MGM and you are here testifying in support, should we get into sports gambling that your player

association have input and participate in this process. But then how do you quantify the history and the challenge that you have, and I have asked you before Mr. McGinnis and you know I'm gonna ask you right.

KEVIN MC GINNIS: I've been watching you come and go, wondering.

SENATOR HWANG (28TH): You were hoping I wasn't in here right [Laughter]?

KEVIN MC GINNIS: No, I am going to say what I said last time.

SENATOR HWANG (28TH): I think the question is Pete Rose, right? And how does the League that says for an individual that betted on their team, and now we will, now as an organization or as an institution say we are now engaged in the game of sports gambling rectify the historical prohibition that this, your institution has had going from the Black Sox to Pete Rose how do you now make that kind of transformation to say we are in the game and let us be a part of it?

KEVIN MC GINNIS: Senator I am glad to have another go at this. I'll say what I said last time. I represent the Major League Baseball Players Association. The League, which is a different entity has the deal with MGM, we do not. As I said then I can't believe there is anything the Commissioner Manfred would not want me to comment about. Would be his motives with regard to the MGM contract.

SENATOR HWANG (28TH): Fair enough and I'll stop the questioning on that line there, but then going back

to my closing question about the integrity of the game. Then how does a player association and having played baseball, loving the game, how does Major League Baseball's Players Association react to potential careers and players livelihood that were adversely impacted by the Houston Astros game or scheming that has been validated. How do you then go back to the people who may have betted on the game and betted on results and players who livelihood could have been impacted what happens when you throw in a gambling component, what do we do to clarify and rectify that beyond saying that they cheated? What happens to all the people who betted their hard earned money, betting on an outcome and players that worked and toiled that the integrity of the game has been compromised but now you not only have players but you got people who betted hundreds of thousands of millions of dollars on this, what restitution, what kind of recourse do you have for them if we go down this path of using gambling on anything that should arise like the Houston Astros or any other future potential schemes of violating the integrity of the game. What do you then do as an Association of Players or maybe even the League and I know the League will testify later, what do you then do and say to those people whose bets have been tampered or tainted? What do you say? Do you offer a refund? Do you offer a redo?

KEVIN MC GINNIS: We take an extremely difficult issue and magnify it and that is exactly why we are here. That is exactly why we are asking you and other states for help in this area. But what that is highlighted is all of the problems we believe we're gonna be addressing not just with regard to

that one incident but across sports as we move forward.

SENATOR HWANG (28TH): And I appreciate you testifying and I appreciate you allowing me to kind of ask these questions that are at the tip of most everyday people when they look at this issue and what I caution as a Legislative body to not just simply look at the riches of sports gambling and the riches to be obtained through that but to look at really widespread societal ramifications. I think Congressman Steele mentioned earlier that in the UK and I think maybe in Australis, the fact that advertising from gambling has a result of sports gambling being authorized by the Supreme Court could potentially rival, you know, one in every three broadcasts, I think they will be replacing beer commercials in regards to what the consumer will be embedded with and I think the second component for what you do as an entertainment and as a part of national institution, the proponent and the statistical evidence of young male adults being drawn into a potential habit, if not addiction, of sports gambling, betting on sports they grew up with their fathers and their grandfathers loving and losing the integrity of that game because it is no longer about winning and losing and cheering for your team, it is about whether that next pitch is gonna get hit and what the fantasy football and various results are gonna be, I'm fearful that when we talk about the integrity of the game and for this country to rest on such importance in regards to its cultural heritage that we may be thrown all down the tube or the toilet just because were looking to gain more additional money. So I appreciate your input and representative professional players but I oh so

appreciate you acknowledging we are exploring an issue that has far, far greater significance than just simple revenue. It has significant societal impact of which we've not measured. So thank you very much Mr. Chair.

REP. VERRENGIA (20TH): Thank you. Any other questions? Seeing none, thank you. Representative Rosairo.

REP. ROSARIO (128TH): Good Afternoon, everybody, Senator Bradley, Representative Verrengia and esteemed Members of the Committee of Public Safety and Security, my name is Chris Rosario, State Representative from the City of Bridgeport along with Representative Filipe, he is going to speak in a few seconds. We are here in support of legislation which would expand gaming in the State to include a casino and sports betting facility in the City of Bridgeport. We have both submitted testimony for everyone to read at their leisure but I'm gonna get to the heart of the matter.

I'm no stranger to this Committee, I have had the honor and privilege of testifying before this great Committee and it's leadership for the last six years and I'm no stranger on the conversation of gaming. I've been watching the testimony beforehand and I agree with Representative Vail and Chairman Butler, I do believe that we are at the one yard line but with that being said, this conversation on gaming has been going on for a longtime. Back in 1995 this whole conversation of gaming in Bridgeport began. I was a mere 16 years old and I remember my mom signing up to get a job at that potential casino. I am now 41 years old and my mother for those who don't know, my mother suffers from dementia and she

doesn't know my name, she doesn't know her grandchildren name but when I see her she asks me in Spanish if you let me indulge, "Pepito, cuando viene casino." She says Baby when is the casino coming?

That has been the conversation throughout the City of Bridgeport for a long time. That is why my constituents sent me up here among many other things because for many years Bridgeport has taken a backseat to everywhere else around the State of Connecticut and I hear stories of Eastern Connecticut and all the jobs and opportunity that they've had and we don't want to take away from that. We just simply want the same thing for the people of the City of Bridgeport that is why I decided to run, that is why I decided to come up here to this Capital to speak to people just like you to say, enough is enough Bridgeport needs jobs. I know it is a controversial subject, you know, with vaccinations but we need that shot in the arm of economic development and this conversation can help bring that shot in the arm to the people of the City of Bridgeport.

REP. FELIPE (130TH): Good Afternoon Senator Bradley, Representative Verrengia, esteemed Members of the Committee I am State Representative Antonio Filipe from the 130th District in Bridgeport.

And just to piggyback, I think that we as a General Assembly get one bite at this apple and to make sure we take the biggest bite and get the most out of it, Bridgeport should be included. I think there is robust opportunity in Bridgeport right now with the development of the waterfront with all the access that we have, via rail, via the ferryboat, via the different places we can get to via highway. There

are a lot of markets that we can tap into in Bridgeport and really make the best out of whatever comes from this legislation in terms of sports betting. When you have a facility in a place like Bridgeport that has connections to Boston, to Philadelphia, to New York and Long Island across the ferry, you're just looking at a lot of places where we can take from and bring a lot of people into the State but also to create jobs in Bridgeport, to create opportunities for the people there to, you know, our tradesmen and women who will definitely be involved in constructing such a facility. I think this is the time to do it and I think that Bridgeport definitely needs to be at the table when we talk about sports gambling and the legislation that further affects the gaming in Connecticut.

REP. VERRENGIA (20TH): Thank you, Representatives. Are there any questions. Representative Sredzinski.

REP. SREDZINSKI (112TH): Thank you, Representatives for coming up. Obviously this is not the first discussion we've had at a Public Hearing on this subject. But I asked the Mayor of Bridgeport the same question, what is and you can both answer it separately or together, whatever it is, what is your vision for SB 21 puts forward for Bridgeport as far as a casino facility.

REP. ROSARIO (128TH): Well if you thank you, thank you for the question. My vision is the beginning of a start of a big economic development project for the entire City of Bridgeport. I understand the Tribes are very successful when it comes to doing economic development projects of that nature, not only here in the State of Connecticut but across the

globe. But any conversation that begins to invest in the City of Bridgeport I'm supportive of.

REP. FELIPE (130TH): Very simply put, what he said [Laughter].

REP. SREDZINSKI (112TH): All right, you're gonna make a lot of friends around here [Laughter]. The one part about the Bill in Section V, it does say, "the Tribally owned company is authorized to operate." There is no real strong language in there that either forces, mandates or even has any sort of development agreement similar to what we saw in East Windsor. Do you have any concerns about that? Would you like to see that changed?

REP. ROSARIO (128TH): You know, as you know a lot of this work here is a work in progress and whatever language working with are Chairs here and the Tribal leadership willing to have compromise and have that conversation.

REP. SREDZINSKI(112TH): Very good, no it is a work in progress that's why we have these processes and we want to talk about it. Thank you both very much for coming up and testifying. Appreciate it. Thank you, Mr. Chair.

REP. VERRENGIA (20TH): Thank you. Any other questions? Seeing none, thank you. Okay next up is Michele Mudrick.

MICHELE MUDRICK: Good Afternoon, Representative Verrengia, Senator Bradley and distinguished Members of the Public Safety and Security Committee, I am Michele Mudrick, the Legislative Advocate for the Southern New England Conference of the United Church

of Christ and Director of the Coalition Against Casino Expansion in Connecticut.

The Coalition against Casino Expansion in Connecticut (CACE) is a group of 14 faith communities and organizations representing over a million people in Connecticut. Some of our members are the Episcopal Church, the Connecticut League of Women Voters, the Connecticut Catholic Conference, New England Synod Evangelical Lutheran Church of America, the Council of Church of Bridgeport among others. I am also here as a mother and on behalf of the 614 congregations and more than 1,000, excuse me, 120,000 people in our State's churches.

Connecticut citizens have lost more than \$25 billion dollars of personal wealth to commercialized gambling such as casinos, the Connecticut Lottery and off track betting in the last twenty-five years. Commercialized gambling is one the biggest most-neglected problems today in Connecticut. Almost one out of three Connecticut Citizens have zero in savings. Almost 50% have less !\$1,000 dollars in savings and one reason why is the amount of commercialized gambling the State is pushing onto its citizens.

Again, I would just like to mention again, \$25 billion dollars of personal wealth was lost by Connecticut residents.

The bills before us today will produce a massive expansion of gambling in Connecticut and it will have a massive impact on people's lives with greater and greater financial losses for Connecticut citizens.

MIT Professor, Natasha Schull, wrote a book which I encourage everyone to read, it is called *Addiction by Design*. In this book she reported in one study of casual gamblers, 75 percent of casino visitors were casual gamblers but they made up only four percent of gambling revenues. The author of the study said, "If responsible gambling were successful, then the industry would probably shut down for lack of income." That's why "responsible gambling" is nothing more than a slogan to give the appearance that citizens are not in danger. The profit model, and the resulting state revenues, are based on the out-of-control gambler. Without these gamblers, there is very little gambling profit.

Sports gambling will make the problem worse. Data from *Stop Predatory Gambling* in Washington, D.C. reports Americans are expected to lose \$1 trillion dollars of their personal wealth to government sanctioned gambling over the next eight years. This is happening at the same time that again, around 50 percent of the U.S. population has zero or negative net wealth, meaning their debts exceed their assets.

So, let's be smart in Connecticut and not encourage our residents to lose their hard earned dollars. We support House Bill 5167 AN ACT CONCERNING STUDIES OF THE EFFECT OF LEGALIZED GAMBLING. However, our support assumes that comprehensive study will be conducted by a truly independent, objective party that has no ties to the Mashantucket or Pequot Tribes or anyone in the casino industry.

We are opposed to House Bill 5190 AN ACT ESTABLISHING A COMMISSION ON GAMING because establishing a commission on gaming will put more

power in the hands of few people rather than the entire legislature.

The Institute of American Values published a report and I will leave this with you, and if anyone else would like more copies, I have several in my office. This report entitled "*Why Casinos Matter: Thirty-One Evidence-Based Propositions from the Health and Social Sciences.*" This report was created by the Council on Casinos, an independent, nonpartisan group of scholars and leaders who joined together to examine the role of casinos in American life. This report's research shows that gambling is highly addictive, that casinos depend on problem gamblers for up to 50 percent of their revenue, that living close to a casino increases your chance of becoming a problem gambler, that the benefits of casinos are short-term and easy to measure while the costs are longer-term and harder to measure. Furthermore, casinos drain wealth from communities, weaken nearby business, hurt property values, reduce civic participation, increase risk of broken families and increase crime and bankruptcy in communities. There is no justice in using addictive gambling machines to obtain revenue from our most vulnerable populations

According to Earl Grinols, he is a leading expert on the study of casinos in communities, there's many hidden social costs of gambling. These costs include crime costs, business and employment costs, bankruptcy costs, suicide costs, illnesses related to pathological gambling, social service costs, and family costs. I'll wrap up and Earl Grinols reported factoring in all the economic and social cost, these costs outweigh the benefits 3 to 1.

In 2009 the State did sponsor a study and they found that there was a 400 percent increase in arrests for embezzlement in Connecticut since the casinos arrived and an increase of 10 times the national average. Our state has not done a Comprehensive study on in 2014 when the Western Connecticut State University did a study they found that the number of violent crimes including murder, rape, robbery, aggravated assault increased around the two casinos despite in Connecticut going down as a whole. Theft crimes increased by 40 percent and there was also increases in nonviolent crimes such as prostitution and illicit drug use.

So lastly the people of Connecticut have spoken and Quinnipiac Study Poll of March 11, 2015 three in four Connecticut residents oppose having more casinos in Connecticut. The Collation opposes this and we represent the public, the most affected people, over 1,000,000 people and the public is saying no more casinos, we have two of the largest in the Western Hemisphere and that is enough. All of God's children desire opportunities to thrive and live in their communities and putting the casino in a community and expanding gambling is not a way for people to thrive. There is better strategies for creating jobs and promoting economic growth in Connecticut that don't come with the significant downside that casinos and expanded gambling bring. So thank you so much for allowing me to testify and I would be happy to answer any questions.

REP. VERRENGIA (20TH): Thank you, Michele. Any questions? Senator Hwang.

SENATOR HWANG (28TH): Thank you, Mr. Chair. and I want to thank you for your latitude in extending the

testimony. Michelle I just want to be quick and just complement you for representing the men and women within your organization and thank you for coming up today. Thank you, Mr. Chair.

REP. VERRENGIA (20TH): Representative Barry.

REP. BARRY (31ST): Thank you, Mr. Chair. Thank you, Michelle for being here and for your advocacy. A couple of questions. Do you have any statistics on online gambling addictions?

MICHELE MUDRICK: Yes, I do. Thank you, Representative Barry for asking that. Internet gambling, I think it was even mentioned before, would put a casino, really in everyone's cellphone and computer. Studies show that 18.2 percent of gambler who bet online are problem gamblers. Internet gambling addiction is the fastest grown addiction among American kids, high schoolers and college students because of the real time betting on cellphones and video games.

I also like to mention that almost one out of three Connecticut residents, as I said before have zero in savings and just by, we we're gonna expand this, that would decrease savings even more. And also according to a major report, and I could get copies of this if anyone wants that from the United Kingdom, a region with commercialized sports gambling and online gambling operators they make more than half their profit from problem gamblers. Ireland which has legal sports gambling just issued its first ever national survey on gambling and found that three-quarters of online gamblers in Ireland have borrowed money or sold something in order to place a bet. Only about ten percent of people that

experience problems with gambling seek help from problem gambling service, 90 percent of people never come forward. And at least one out of every 20 citizens have had their lives turned upside down because of someone becoming addicted to commercialized gambling. This figure also does not account for the reality that the gambling addict has at least one or two people close to them whose lives have been severely harmed.

Gambling is a very serious addiction and not often talked about because there is so much shame around it. The National Council on.

REP. VERRENGIA (20TH): Excuse me, Michele, I am going to interrupt for a moment because I see you're reading from testimony and we have a lot of people that still need to speak. If you could just summarize I'd appreciate it. Thank you, Michele.

MICHELE MUDRICK: So what I want to say one in five, per statistics in answering Senator Hwang's question, one in five gambling addicts attempts suicide, a rate higher than any other addiction. So again, the 18.2 percent is one of the stats for online gambling.

REP. BARRY (31ST): I have a follow up to that. Do you have the statistics on sports gambling addictions?

MICHELE MUDRICK: Yes, thank you again for asking. If sports gambling would become legal the rates of gambling addiction would rise and in a survey of over 10,000 adults in Massachusetts sports betters had a higher rate of 5.37 percent. The UK really has the most statistics on sports gambling and they are frightening. Gambling ads and marketing are

wide-spread in regions with commercialized sports gambling, the high frequency of the marketing by gambling operators has normalized gambling for kids leading them to believe that gambling was central to playing sports. So some stats from the UK to answer your question and Australia two of the regions, In the UK, one out of every 5 ads during a sporting event is a gambling ad. Promotions and special offers for several major online gambling firms are regularly appearing in the social media. Twitter users under the age of 18 who follow popular sport in the UK are being "bombarded" with online gambling ads. Two in three UK teenagers feel inundated by advertisements, and 75 percent of children as young as eight correctly recall a sports betting brand, research have found that more than half of 16-year-olds in the UK have gambling apps on their smartphones, 450,000 UK children ages 11-16 bet regularly more than those who have taken drugs, smoked or drunk alcohol. So are some of the statistics that we've gotten from the UK and Australia.

REP. BARRY (31ST): Thank you for that. How do you respond to the people who say we need more casinos and entertainment zones for the jobs that would be created?

MICHELE MUDRICK: Well we've mentioned that, yes jobs are very important, no one is denying that. But there is very little evidence that casinos strengthen a state or a municipality. I think we need to be more creative in our job creations and on the backs of low wage workers, the poor, problem gamblers, the elderly women and the disabled are the most vulnerable populations that are frequent

casinos. And also a lot of people don't realize that when a casino is built in a community the local restaurants and local entertainment venues and local retail establishments and other business they can't compete with the casinos so they are negatively impacted. And independent expert studies have concluded that the presence of a casino do far more harm than good and the social and economic costs are far greater than the benefits of job creation in generating revenue.

REP. BARRY (31ST): And one more question. Why do you feel that Connecticut should not establish a Commission on Gaming?

MICHELE MUDRICK: Well it does seem perfectly reasonable that you would think to have a commission on gaming but what we have found and what the studies show is that the states that do have a commission on gaming, like Massachusetts, the commission is made up of almost all pro-gambling people. And this way this more power in the hands of a few people rather than the entire legislature. The gambling commission could control all gaming policy in the state and therefore the voices of the Connecticut citizens would not be heard. We believe the residents of Connecticut should decide where and if gambling should increase in our State not a few individuals and we oppose it because we are concerned that the commission would consist exclusively of pro-gambling people and the gambling industry.

But if the commission was established, we would like individuals with expertise in problem gambling, health policy and statistical training because commission responsibility should also include public

reporting of problem data and we are suggesting an annual report that tracks problems with gambling such as embezzlement, increases with problem gambling weakening of nearby business, bankruptcies and crime and DUI.

REP. BARRY (31ST): And one last thing. You had mentioned that your colleagues that you work with have shared stories on people suffering with gambling addiction, would you care to just share maybe one of those stories?

MICHELE MUDRICK: Sure. Well we, I hear stories all the time people suffering from gambling addiction from pastors visiting people in their homes and they are eating cat food because they spent all their money in the casino. But we hear a lot of stories from clergy that are trying to attend to the spiritual needs of the congregation especially around the two casinos, and this happens statewide and they want to talk about Jesus, justice and spirituality but so many families that live near the casinos are hurting because they come into our churches and they are hearing stories that people's, they're spending paycheck that should go towards rent at the casino and spending their child's college education at the casino. And we as churches are here to help people but overwhelmingly we see people coming into our churches needing money and financial assistance and food because they do gamble excessively.

Another colleague has a gambling addiction and she did self-select out of the casinos so that means she shouldn't visit them, but her addiction is real and she did visit the casinos and one time she did win but she was self-selected out of the casino she

couldn't win the gambling so she asked the woman sitting next to her on the chair, would you just sit in this chair, win it and we'll split the profits.

Another over Thanksgiving had a parishioner call her up saying she was going to commit suicide. And this pastor left her Thanksgiving dinner because she has a gambling addiction and she left her Thanksgiving dinner to attend and bring the women to Hartford. So there's many, many stories that we hear of people suffering from gambling addictions that come to our churches asking for assistance.

REP. BARRY (31ST): Thank you, thank you for answering my questions. Thank you, Mr. Chair.

REP. VERRENGIA (20TH): Thank you, Michele. Thank you, Representative. Next is Dan Wallach. Oh, I'm sorry. Yes, absolutely Representative Vail.

REP. VAIL (52ND): Thanks for your indulgence. You said in your earlier that the majority of residents in Connecticut oppose gambling?

MICHELE MUDRICK: Yes.

REP. VAIL (52ND): And based on what?

MICHELE MUDRICK: There was a Quinnipiac study that was done in March 15, 2015 that three in four Connecticut voters oppose having more casinos in Connecticut.

REP. VAIL (52ND): Okay cause I've done personal polling and my polling came out much different than, so I was curious about that. When you say you represent over one-million Connecticut residents with your 14 faith based organizations did you personally do a poll with them to see if they

supported gambling or not? Or is that an opinion of the leadership at those particular churches.

MICHELE MUDRICK: So what happens in a lot of churches is they are called Resolutions and these resolutions happen at the annual meetings of like the Episcopal Church, The Lutheran, UCC and these resolutions are put forth at annual meetings. We have a lot of social justice resolutions and a lot of the faith based groups that are members of our, and those resolutions come from the people and they are voted at the meetings and they have passed all those faith denominations so that is how they would, they become involved in opposing things or not opposing things and they come from the people in their churches that would like these denominations to work on these issues.

REP. VAIL (52ND): So it is more of a small group of people within that group of people, not all one million people that are being heard?

MICHELE MUDRICK: You know its groups of people that bring up these resolutions.

REP. VAIL (52ND): Okay and what do you think is probably the most problematic form of gambling in the State of Connecticut for, you mentioned are most vulnerable population. What do think the most harmful form of gambling is to those people in particular?

MICHELE MUDRICK: What, can you repeat?

REP. VAIL (52ND): What type of gambling, people bet on the horses, you can go to a casino, you can buy lottery tickets, what do you think is the most harmful to our most vulnerable population?

MICHELE MUDRICK: Well I think, the casinos are very, as I stated and the research shows and was shared already this morning. You've heard me for the last five years as well. You know, over 50 percent of the profits come from problem gamblers at our casinos. So that's, you know, you go there and see people gambling, it's really easy to use the word vipers because they don't want to leave their slot machines. So I would say casino.

REP. VAIL (52ND): Well casinos pay out over 90 percent on dollar and they are still making plenty of money but you actually have to physically go there, where the Connecticut Lottery only pays out 60 cents on a dollar and those people come in looking for that dream, buying lottery tickets and we've had testimony in the past that says that's a real problem. So should we eliminate the Connecticut Lottery as well?

MICHELE MUDRICK: I know people personally that have gone bankrupt, lost their home and had disastrous, again people, I hear these stories and the lottery absolutely.

REP. VAIL (52ND): Most people that lose money in the lottery don't have a home to begin with, you know, and that's where the problem is. And so I was just curious, you really seemed to be targeted towards casinos. What do you think we should do about lottery? Cause to me that's where I foresee the most vulnerable population?

MICHELE MUDRICK: I agree with you, I do think the lottery especially, you know, when we have \$30.00 dollar scratch off tickets that are, you know, that

isn't, that is a problem as well. Absolutely, I'm not disagreeing with you at all.

REP. VAIL (52ND): And what would you say to the argument that, you know, people are adults and they should be able to make those decisions and have that responsibility on their own especially knowing that there are some safeguards for people to have that.

MICHELE MUDRICK: Yes, I know, I'm not here today to save we have to get rid of the lottery and I am not here today to say we have to get rid of our casinos. I am here today saying, it's enough. Okay? The two casinos we have are the largest the in Western Hemisphere in our tiny State of Connecticut, that's enough. And I understand that the lottery is not going away but I feel and our Collation feels that it is enough, it's enough. We don't need to expand gambling and if we do there is gonna be a huge amount of more problem gamblers created and that's gonna have a massive effect on many families in the State of Connecticut.

REP. VAIL (52ND): Okay.

REP. VERRENGIA (20TH): Thank you, Representative. Any other questions? Seeing none, thank you, Michele. Next up is Dan Wallach. You can begin, just hit the mic.

DAN WALLACH: Good Afternoon Chairman Verrengia, Chairman Bradley and Honorable Members of the Committee. Thank you for giving me an opportunity to testify today. My name is Daniel Wallach, and I am the founder of Wallach Legal a law firm focused primarily on sports wagering and gaming law. I am also the Co-Founding Director of the University of New Hampshire School of Law's Sports Wagering and

Integrity Program, the nation's first law school certificate program dedicated to the legal and regulatory aspects of sport betting. I teach sports wagering law and one of the many areas that I focus on is the relationship between casino games and sports betting.

So I am here to address the following questions which generated a fair amount of debate earlier in the hearing. Is sports betting a "video facsimile or other commercial casino game"? I am an appellate lawyer by training. I analyze issues, contractual issues and the Compact is essentially a contract and the MOU is a contract between the Tribes and the State of Connecticut. And I have researched this issue extensively under Federal Law, State Law including Connecticut Law and after taking into account the contractual language and the definitions used in the MOUs and the Compacts, I am of the firm belief that sports betting is not a commercial casino game. And there are a number of compelling reasons why that is so but first as a contractual term, commercial casino games does not exist in a vacuum it is tethered to a longer phrase called "video facsimile or other commercial casino games and the inclusion of the word "other" is significant because it suggests a relationship between commercial casino games and "video facsimiles" and there are interpretation rules that courts have laid down over the years. The Connecticut Supreme Court and the U.S. Supreme Court recognize a canon of construction called the *Associated Words Doctrine*. There is a Latin expression which I am not gonna pronounce but it essentially means that associated words bear on one another's meaning or as the U.S.

Supreme Court put it, "a work is known by the company it keeps."

So, while the phrase "commercial casino games" is undefined in the MOUs and in the compact, the term "video facsimile" is expressly defined and under the compacts, "video facsimile" is defined essentially as a mechanical or electronic game of chance. Moreover both Compacts authorize the Tribes to conduct "video facsimiles" of the following and to use the language in the Compacts, "games of chance" including blackjack, poker, dice, and roulette. So since "video facsimile" is expressly defined as a "game of chance" under the compacts, the phrase "other commercial casino games" must necessarily refer to "games of chance" as well, especially given the placement of the word "other" before the word "commercial casino games." I mean that is basic contract interpretation under the associated words canon recognized by the Connecticut Supreme Court.

You don't to even need to use that interpretive principle to arrive at the conclusion that casino, there are a number of cases, court opinions and legal authorities recognizing that casino games are predominantly games of chance referring to blackjack, craps, roulette, poker, baccarat, keno slot machines, a lot of the types of games that are included as permitted games under the Compacts.

So, why is this so important? There are several fundamental and dispositive distinctions between commercial casino games and sports betting zeroing in on the location of underlying games as well as whether they are games of chance or contests of skill.

So unlike casino games where the outcomes are decided predominately by chance, such as by the draw of a card, a roll of the dice, or a random number generated, wagering on sporting events is widely considered to be a contest of skill requiring substantial skill and knowledge to succeed and as New York's attorney general put it, "Sports betting involves substantial, not slight skills," including the exercise of a better's judgement in trying to figure out the point spreads. This is not limited to the New York attorney general there are a number of state attorneys general's opinions throughout the country that have analyzed the issue of whether skill or chance predominate in sports betting and these other states follow the same test that the State of Connecticut follows for determining whether a particular game is one of skill or one of chance or luck. And Connecticut followed a formula known as the *Predominate Element Test* or the *Dominate Factor Test* looking pretty much to whether skill or chance predominate and a West Virginia attorney general opinion from 1991 which focused on sports betting conclude that the amount of skill involved in sports betting places this form of gambling outside the parameters of a lottery which is a game of chance. And the attorney general said that those who bet on sports usually take into consideration past records, who has the homefield advantage and a myriad of other factors that may influence the outcome of the event.

Furthermore statistics and other material pertinent to sporting events are readily available for those who wish to study them and then place an informed bet using reason and judgement and drawing upon this array of information the person making the bet is

utilizing his knowledge about the sporting activity to enhance his chance of winning and the use of this knowledge. The attorney general of West Virginia declared, "is the employment of skill." And there are other attorney general opinions that I have cited and discussed in my written testimony which I refer the honorable members of the Committee to, there is a Colorado attorney general opinion, Michigan attorney general opinion, Tennessee and the list goes on, and on, and on.

Even federal law recognizes a clear distinction between sports betting and casino, commercial casino games. Earlier today you heard testimony from one of the Tribal representatives equating sports betting or defining sports betting as a Class III game as if that is the [Inaudible-03:57:21] of the issue not because casino games and sports betting are both Class III games hence sports betting is commercial casino game. That is a fundamentally flawed argument that is belied by the plain language of IGRA. Lots of games are included within the Class III classification under IGRA and not every class III game is a casino game. For example wagering on horse racing, dog racing, and jai alai exhibitions while designated as Class III gaming under IGRA are rarely if ever found within a casino environment.

Likewise, not every casino game is a Class III game. For example non-house banked card games such as poker in which the players play against one another rather than the house are designated as Class II gaming under IGRA and are often found in casinos and just about every commercial casino has a poker room

where player wager against one another rather than against the house.

The clear distinction between sports betting and casino games is also reflected in the *Federal Wire Act* which prohibits anyone "engaged in the business of betting or wagering" from knowingly utilizing a "wire communication facility" to transmit "bets or wagers or information assisting in the placing of bets or wagers through interstate commerce." The Federal Courts have concluded that statute applies only to betting on sporting events and does not reach the activity of commercial casino games.

Even the Professional and Amateur Sports Protection Act.

REP. VERRENGIA (20TH): Excuse me, if you could wrap up?

DAN WALLACH: Oh yeah, sure, sure. Another critical distinction - two last points, key distinction besides chance versus skill are the location of where the games take place. Roulette, baccarat, blackjack, slot machines those are games that are housed exclusively within a casino environment. The winners are determined based upon outcomes that are decided within the casino. Sports betting the underlying events and the determination of the winners occurs external to a casino. Major point of demarcation between commercial casino games and sports betting. And then earlier today you heard some reference to the fact that there were a number of states that have casino centric sports wagering. I can tell you from my analysis and study, I follow this industry very closely there are more states

that allow sports betting outside of a casino environment than restricted to a casino environment. New Hampshire, they're gonna have standalone sports books there are no casinos, in the District of Columbia sports betting will be allowed at professional sports venues. Illinois it will take place not only at casinos but professional sports venues, racetracks, and in New Jersey, Indiana and Iowa sports betting can take place, I think in a casino environment but it is also allowed a horse racetracks. And horserace tracks are not casinos.

Then probably to put the, you know, the sort of cherry on the top, if the Tribal Compacts were to credibly have included sports wagering as a permitted game, the U.S. Secretary of the Interior would have acknowledged it. If you go to the Bureau of Indian Affairs website which is the federal agency that oversees Indian Gaming, all of the state Tribal gaming Compacts are available and they are searchable by term and in very instance in which there was a suggestion that sports betting was a permitted game or an authorized game that a Tribe could operate, the Secretary of the Interior made an express acknowledgement of that fact in the cover letter approving the proposed Compact because as you know, state Tribe negotiated Compacts have to go to the Federal Government for a sign-off and for approval by the Secretary of the Interior. And in every one of those approval letters where there is sports betting an issue the Secretary of the Interior acknowledge that fact and admonished or at least cautioned that the Tribe could only offer sports betting on tribal land if it qualified for one of the exceptions under PASPA. By contract the approval letter sent to the Mohegan Tribe and any of

the approval letters that are associated with the Connecticut Tribes continue zero reference to sports betting.

Thank you for the opportunity to appear here today and I welcome any questions that the Members of the Committee might have.

REP. VERRENGIA (20TH): Thank you, sir. Are there any questions? Representative Sredzinski.

REP. SREDZINSKI (112TH): Thank you, Mr. Chair. I'll take over while you finish your lunch there[Laughter]. For those of you who don't know, he didn't have lunch he just had a candy bar and that was it, a small piece. So I really thank you for your testimony today. I was gonna ask you to respond to the IGRA definition from January of this year. You kind a touched upon it already, but you're saying that a Class III does not necessarily mean that a Class III means sports wagering is that correct?

DAN WALLACH: Correct and the advisory from the Department of, you know, the one that you're referring to, doesn't set forth any new propositions, it really, you look to the regulations under IGRA which actually defined Class III, it's the particular reference is Section 502.4 of I think of 28 of the Code of Federal Regulations. It's in my testimony but if you look at that, if you look at the regulation defining Class III gaming it includes sports betting under one particular subsection and then in a different subsection it refers to casino games meaning that the Federal Government or at least the, you know, the agency that wrote the regulation did not equate sports betting with casino

games. In fact I'll just read it really quickly, It's *Title 35, Code of Federal Regulations, Section 502.4*, defining Class III gaming under IGRA as: among other things, "(a) any house banking game but not limited to casino games such as roulette, craps, and keno" and then (c) "any sports betting and pari-mutuel wagering including but not limited to horse racing, dog racing, or jai alai." So IGRA differentiates between casino games and sports betting just through the way Class III gaming is defined in the Code of Federal Regulations and one thing horse racing, dog racing and sports betting have in common is that they are games of skill that take place largely outside of a casino, entirely outside of a casino environment and that the outcomes are determined external to a casino.

I mean there are casinos in Mississippi that have what I would call race books where you can go to the casino and bet on horse races taking place at horse racetracks all over the country. You wouldn't consider those race books to be casino games. Casino games at least as they are defined by the MOU. I mean there may be a different interpretation based upon state constitutional law in other states but based upon a traditional definition of commercial casino games you would never consider a race book that books horse race wagers to be a commercial casino game.

REP. SREDZINSKI (112TH): Okay, thank you for that. So hypothetical situation. General Assembly, Governor we sign and pass a Bill, it becomes law that would allow for a competitive sports wagering system where the Tribe would be a part of it, the lottery would be a part of it, Sportech, other

companies would be eligible. As has been said to us many times, the Tribes would cease their payment and consider that a breaking of the Compact. So at that point they would stop their payments to the State of Connecticut. I would assume that at that point, Connecticut would sue the Tribes for basically a violation of the Compact and them not paying, do you think Connecticut would have a good case in that example?

DAN WALLACH: I think you would have an excellent case. And is, by the way, as a sequencing the Tribes probably would not cease their payments before a Federal Court adjudication. The same issue took place in Florida three-four years ago where the Tribes were claiming that the State of Florida permitted house banked player games that were in violation of the State Tribal Gaming Compact so the Tribes brought a lawsuit against the, you know, the regulatory body that oversaw gaming in Florida and it wasn't until after the final adjudication of the case, the Tribes won that because, you know, the designated player games were, you know, conceivably a violation of the Compacts but it wasn't until after that court case was decided that the Tribes, you know, suspended or ceased making payments. So, you know, it would be inadvisable for any stakeholder to make a decision like that in advance of a final adjudication by a Federal Court. And you heard here references to federal judges deciding the case and I would expect the Order to be Lawsuit Determination and then whatever. And then followed by potentially the cessation of the revenue sharing payments. But based upon the arguments that I've outlined in my written testimony and briefly touched upon here today I believe that the State would have

an exceptionally strong case in arguing that sports betting which is not referred to either of these Compacts or in the MOUs and these documents were executed at a time when sports betting was not even available in casinos nationwide except in one state and at that time Mississippi had casinos, New Jersey had casinos. Neither of those States had legal sports betting because of PASPA so you do not say that casino, that sports betting was endemic to a casino environment at the time that these Compacts and MOUs were executed.

So I like the State's chances and I, you know, can't put percentages on it, but you have read my opinion or you have access to my opinion and as somebody who has experience in gaming law and appellate practice, I know a good case when I see one and I wouldn't be up here today advocating an argument that I didn't personally believe in backed by nearly 30 years of appellate experience, over 20 years in the courts, over 300 appeals I think I know what I'm talking about and these issues are very comfortable to me because I deal with them every day.

REP. SREDZINSKI (112TH): So that is a good segue way because in the six years I've served on this Committee we've dealt with these issues over and over, and over and over again and a lot of times we get the biased opinion from the people who come before us and rightfully so they are representing their own interests so what bring you here today? Are you here on behalf of a company, did someone ask you to testify or did you just see this in the news and say I want to be a part of this conversation?

DAN WALLACH: I am not here on behalf of anybody. I wanted to testify, I've testified at other state

legislative hearings always at the invitation of, you know, chairperson of gaming committees. I am not a lobbyist but I teach this area. I consider myself a national, you know, subject matter expert on the topic and I believe this was an important issue that I've touched upon in other state legislative bodies including in early January, before the California Committee that had an informational hearing on sports betting and I weighed in on whether the Constitutional level ban against casino gambling or casinos of the type that operated in New Jersey and Nevada circa 1984 covered sports betting, so this is something that I am incredibly, you know, intrigued by, I've testified about and written about so the intersection of Constitutional Law with legislative authority, casino games and sports betting that has been in my wheelhouse for the last, you know, year or two.

REP. SREDZINSKI (112TH): Thank you, that clears up a lot of question I had. So final question was based on the location, you mentioned that in your testimony about the location of the gambling taking place. Just for clarification iGaming or betting on Blackjack, or card games, or roulette on your phone, on a mobile device, that would still be consider casino game?

DAN WALLACH: Absolutely, I would think so. New Jersey's entire iGaming system is predicated on mobile devices placing or initiating bets throughout the State of New Jersey, processed through casinos that are located in Atlantic City meaning the server being at the location of the casino is where the bet is deemed to take place. And New Jersey's entire iGaming infrastructure is predicated on that notion

that under basic principles of contract law that the contract is deemed accepted, you know, at the location where it is accepted and Rhode Island's mobile betting system works on the same predicate that even though the Rhode Island Constitution confines casino sports betting to two casinos in Rhode Island and the legislature was able to pass legislation authorizing statewide mobile betting through servers that are located at the casinos. Every iGaming bill that I am aware of works the same way.

REP. SREDZINSKI (112TH): Thank you very much for the answers to my questions. I really appreciate it. Thank you, Mr. Chair.

REP. VERRENGIA (20TH): Yep, and just for full disclosure in response to your question as far as inviting Mr. Wallach, I've known Mr. Wallach for quite some time, national conferences and he has known to speak to this nationally and he offered to come up and speak at this hearing today. Representative Vail.

REP. VAIL (52ND): Thank you, Mr. Chairman. Representative Sredzinski asked many of the questions I was gonna ask. I tend to, again and I have no legal basis, but common sense tend to agree with your analysis of that. But in the end, you know, you got one side that says one thing and one side says the other. We are not gonna get anything passed and we are going to end up in litigation which then all the lawyers make some money. But so where are you from?

DAN WALLACH: I'm originally from New York City. I practice currently in my, current now home of

Hallandale Beach, Florida which is near Miami but I am barred in New York and Florida. And going back to the litigation issue, you know, fortune favors the bold, right. Look at the State of New Jersey. It lost, you know, case after case, after case. It took the State of New Jersey nearly seven years to overcome the perceived federal ban on, well not the perceived the actual federal ban on state authorized sports betting and they eventually won the case and we wouldn't be sitting here today if it didn't, if we didn't have state like New Jersey step up and believe in their legal position and present it to a Federal Court. Without that there wouldn't be sports betting in any state other than Nevada and I'll leave it to this legislative body and to the policymakers of the State to decide what is the best course of action. But I am telling you or opining as an experienced lawyer that I think the better of the arguments, the much better of the arguments lie on the side of no exclusivity of sports betting based upon commercial casino games and video facsimiles, how they are defined in the governing documents and how courts and federal authorities have differentiated between casino games and sports betting. I mean there is ample authority. There isn't even, I mean everything is debatable but I think what I've laid out in my written testimony and then today in my oral testimony presents a pretty strong case.

REP. VAIL (52ND): Again, so following up the iGaming question. So if we stayed status quo and we allowed iGaming is it your interpretation that the Tribes would have, based on our current Compact, they would have exclusivity on iGaming?

DAN WALLACH: I don't believe that they would but that is a slightly different question. You talking about casino games.

REP. VAIL (52ND): I'm talking casino games like Blackjack, roulette.

DAN WALLACH: I can't.

REP. VAIL (52ND): Cause you said it was inhouse.

DAN WALLACH: I can't answer the question as to the extension of casino games to Indian Tribes but I would like to make this Committee aware that there is some Federal Law, a 2001 National Indian Gaming Commission Games Classification Opinion which ruled or opined that mobile betting falls outside the authorization of IGRA. So there is a debatable legal question as to whether Indian Tribes have the authorization of law to conduct mobile betting which by definition is off reservation.

REP. VAIL (52ND): So what would you do in a case where other states allow iGaming, don't most of those states even Nevada when it started have to be associated with Nevada based gambling facilities?

DAN WALLACH: Yea, the difference is, first of all the National Indian Gaming Commission would probably revisit that opinion which was entered or rendered in 2001. Since 2001 so much has changed so I wouldn't necessarily say that is binding prescient. There is also a congressional bill in Congress to authorize mobile betting on Indian lands or associated with Indian lands but the key difference between the tribal scenario and what takes place in New Jersey and Nevada is that the Federal Statutory limitation is considered jurisdictional. Right? It

is governed by Federal Statute which is a jurisdictional requirement that the entire concept of IRGA is based upon Indian lands. Once it goes off Indian lands then it wouldn't be a matter of it being prohibited it would just lose, potentially lose the protective cloak of IGRA and then the Tribes in those instances might be subject to state statutory regulation.

So it isn't a question of whether or not they are allowed to do it, but under state law with iGaming in New Jersey, iGaming in Michigan, internet based sports betting in Rhode Island all of that is predicated upon state contract law of, where the bet is accepted is deemed to be the acceptance of the contract and a wager is a contract between the bettor and the casino. So under state common law contract principles the state can determine where the contract is accepted. IGRA presents a slightly different obstacle, one that is jurisdictional in nature and it would really require a revisiting of that 2001 opinion from the National Indian Gaming Commission or, you know, or a new Federal Law to expand the reach of gaming on Indian Lands. But there is a slight possibility that any mobile betting that is included in an amended compact may potentially not be approved by the Secretary of the Interior.

REP. VAIL (52ND): That was a close ended question for the record. Lawyers, ah! Anyways, I just wanted a yes or no and [Laughter] and maybe a brief opinion but. Again it's gambling so that, we have an agreement with the Tribes that we have to honor. And I kind of agree again, with the games of chance as opposed to the games of skill. Betting on things

that happen, but so is it your belief that the Tribes, if we introduce iGaming that they wouldn't have exclusivity to that based on the current Compact without getting into a thousand words.

DAN WALLACH: I'm sorry, Representative.

REP. VAIL (52ND): It's okay.

DAN WALLACH: I got beyond the confines of my testimony which is limited to sports betting. With sports betting the Tribes would not have exclusivity. I can't speak to the issue of casino games, I believe that a number of the casino games are specified in the Mohegans and the Mashantucket's Compacts. You know roulette, I mean if you look at the definition of video facsimile games and all the games that are listed under there, there are quite a few casino games, so may arguably the Tribes could have exclusivity over mobile based casino games assuming the Secretary of the Interior approves an Amended Compact. But definitely not so with respect to sports betting and I am here as sort of, more of an expert or rendering an opinion on the sports betting aspects of this questions.

REP. VAIL (52ND): Okay, I just have to ask one question and I know you're from Florida. Did you pay for your own plane ticket to come here?

DAN WALLACH: One-hundred percent. Unfortunately I had to pay twice I wanted to testify at an earlier hearing and I couldn't make it so, I'm on two plane tickets. I am not being compensated or reimbursed by anybody.

REP. VERRENGIA (20TH): Thank you. I just have a question. Earlier today we heard from a

Representative who stated that essentially it didn't matter what we thought in this room with respect to our definition on sports betting, that what matters was what the intention was back in 1994 and I'm paraphrasing, and what that intention was, so if there was a disagreement it would go back to what the intention was in 1994 when the Compacts were originally executed. What is your response to that?

DAN WALLACH: There are a number of Compacts. If you were to look at the website and research all the gaming Compacts that were entered into in the 1990s there are over a dozen of them that refer to sports betting and sports pools. Many of them entered in around the same time as the Mashantucket and Mohegan Tribal Compacts. The Mashantucket one, I think predated the enactment of PASPA so let's focus on the Mohegan Compact. That was entered into around 1994, specifies an awful lot of games. It is very specific, laundry list worth of gaming. Sports betting is not mentioned anywhere within the Compact, commercial casino games are not defined anywhere within the Compact and at the same time contemporaneously there are a number of other state Tribal Compacts from States such as Washington State, Montana, I believe Oregon, Nevada. Those states have Tribal Compacts that were entered into with various Tribes that specifically delineated sports betting or sports pools even though PASPA was in effect at that time. And in the transmittal letter sent by the Secretary of the Interior sent to the Tribes the Secretary expressly acknowledged the conundrum and cautioned that if you are going to operate sports betting make sure you qualify for one of the exception to PASBA. So there is an exceptional amount of detail in Compacts that have

been negotiated throughout the 1990s and many of them spell out sports betting. So the absence of any reference to sports betting or sports pools seem pretty significant to me.

REP. VERRENGIA (20TH): In one of the Bill that's being considered is online gaming for our two Tribes, OTBs and the lottery. How does the online betting affect the Tribes with respect to the Reservation? Does it matter where their servers are, is it a Federal game because the servers on. Cause I notice in one of the Bills it articulates where the server is. So if the server is located on a Reservation does that still allow for online gaming off the Reservation?

DAN WALLACH: Potentially not. Federal, this is Federal Jurisdictional issue. And IGRA, you know, quite clearly applies to gaming on Indian lands and I believe this opinion from 2001 has become somewhat antiquated given the rise of iGaming and perhaps the National Indian Gaming Commission should revisit the issue but the only legal authority that exists within, you know, a federal agency on the question of mobile betting associated with Tribal Reservations, this one opinion which refers to the Wynn Sports Betting Game and the operator was a company called Nicabob Productions that wanted to operate a Tribal sports betting game at various casinos with peer-to-peer, you know, contests with the possibility that it would be introduced over the internet. And in a 2001 opinion the National Indian Gaming Commission forbade it or forbit it because the use of the internet for gambling purposes is not authorized by IGRA. And there is some recent caselaw on that as well out of the 9th Circuit U.S.

Court of Appeals. So in order for the tribes to have 100 percent certainty on their ability to operate mobile better whether it be sports betting or casino games they would need a federal agency namely the Secretary of the Interior to approve an amended Compact and given this decisional law out of the 9th Circuit and the 2001 NIGC opinion I believe it is a closed question and perhaps a new opinion should be sought given how much the gaming landscape has changed in the 20 years and what New Jersey, and Pennsylvania and all these other states are doing with servers placed at casinos and bets being deemed made at the casino based upon the location of the service. But when we're getting Federal Indian Law and, you know, the IGRA, it's a different kind of jurisdictional issue than what state law will ordinarily permit.

REP. VERRENGIA (20TH): Well I want to thank you for your testimony and coming here today. This is as someone said earlier the elephant in the room when it comes to trying to move forward particularly a sports betting bill is certainly isn't the court and, you know, you spoke from the legal perspective which I respect as I did the other lawyers who spoke earlier but I think for where I sit, it's clear there are two sides to this argument and I think that is why it's important that this legislature and the various stakeholders work together to try to come to a compromise to move our gaming policy forward. I think whenever anyone draws the line in the sand and says, you know, we own it, you know, that's just not gonna help going forward and I suspect we have some Representatives from the OTBs coming up and they will make a similar argument with

respect to casino and the definitions of sports betting.

DAN WALLACH: Representative Verrengia, that did remind me of something. Earlier today I heard testimony about no state has authorized an OTB to allow sports betting but I will tell you that sports wagering is conducted at horse racetracks all over the country, New Jersey, Indiana, Iowa. The New York Bill which was introduced earlier this session includes an authorization for betting through OTB outlets. So betting, sports betting and horse racing occur, you know, go hand-in-hand and states that have both casinos and horse race tracks are allowing them through legislation to take place in both types of venue and that doesn't make it a casino game and the notion that the OTBs are, you know, the sacred cow doesn't really stand up to the, you know, experience of the last year-and-a-half and in fact it was a horse racetrack which was at the epicenter of the New Jersey sports betting litigation, it was Monmouth Park Racetrack, a thoroughbred in New Jersey which took the first sports betting following the fall of PASPA.

REP. VERRENGIA (20TH): Well, thank you, I appreciate that. Okay, next up is Representative Gresko.

REP. GRESKO (121ST): Co-Chairmen Verrengia and Bradley and distinguished members of well, look. I want to pride myself on doing research but I can't follow that. So, basically what Mr. Wallach said in very eloquent terms is basically what I was going to try to argue here.

Yes, the Tribes have been good partners over the years. Yes they upheld their end of the bargain as far as the Compact goes, \$9 billion dollars is nothing to sneeze at but if you do the math that is \$36 billion dollars of video slot money that they were lucky to get through a monopoly. And there are other companies here in the State of Connecticut, Sportech and our own Connecticut Lottery that I believe should be allowed to partake in competition. In the interest of keeping everybody here for as little time as possible, I will wrap it up right there unless there are questions. Thank you.

REP. VERRENGIA (20TH): Are there any questions?  
Representative Sredzinski

REP. GRESKO (121ST): From East Windsor.

REP. SREDZINSKI (112TH): You caught that too?  
Thank you, Representative Gresko from Stratford.  
Question to you is do you feel that there should be license fees, if so do you have an idea what would be fair?

REP. GRESKO (121ST): I believe there should be license fees but I think the State should be the one that is driving the bus on that and what it amounts to be is negotiable as everything as we go forward. But just getting to the table to negotiate that without the specter of potential litigation and a withhold of money is what we've get.

REP. SREDZINSKI (112TH): And I see that you are supporting the House Bill 5168 which is the sports wagering Bill that involves competitive bidding. Do you have an opinion on Senate Bill 21 at all?

REP. GRESKO (121ST): My opinion is if there was going to be a casino in Bridgeport it would have been there already.

REP. SREDZINSKI (112TH): Thank you for your time. Thank you, Mr. Chair.

REP. VERRENGIA (20TH): Thank you. Are there any other questions? Seeing none, Representative thank you for your testimony. Okay up next is Ted Taylor.

TED TAYLOR: Co-Chairmen Bradley and Verrengia and distinguished Members of the Public Safety Committee; thank you for the opportunity to address you today on a topic crucial to our Connecticut business, demanded by our customers and crucial to our employees. I refer to raised Bill 5168.

My name is Ted Taylor. I am the President of Sportech Venues, I live in Milford, work in New Haven. I am accompanied by Richard McGuire, he is the Chief Executive Office of our parent company, and also somewhere is Rich Pingel, our Chief Legal Officer but he run out to pick the brains of Mr. Wallach because we didn't know he was appearing and he said a lot of things which made a lot of sense to us so, he may appear shortly.

Numerous of us, myself included, have come before this Committee in previous years conveying a history of what we do, our State investment and job creation over the years, and our credentials as a provider of regulated betting being the only operator in the State, currently licensed to take online bets in particular.

We all know that illegal Sports Betting is happening across the State and we are already nearly surrounded by states that have Sports Betting posing significant challenges to the interests of all the licensed gaming operators here.

We therefor view this session as a critical juncture for the gaming to permit local operators, existing partners of the State for many years the right to compete effectively against those illegal markets and the surrounding states.

Fixed odds Sports Betting is very different from the existing approved of gaming forms. It is fairly complicated. It's a very competitive market where the operators of the actual book set 'sets the odds.' We basically set the price of what we are going to sell and that is aimed to attract customers and allows to compete effectively. Having only one section of the gaming community being able to offer those odds does not bode well for the consumer or the State. It requires a competitive market environment to be successful and we are not here to suggest excluding any of the current gaming partners in Connecticut. In fact, we support Raised Bill 5168 which provides the right for the Tribes, the Lottery and ourselves to conduct sports betting competitively.

For many years based on our experiences as a global operator, a small one, but a global one, we have highlighted the likely importance of online. IN New Jersey which is the best example of the new state authorized sports betting online activity in the last 12 months represented about 84 percent of the actual bets. That is digital, online, mobile, laptop, phone, okay.

A Sports Betting license for anybody without online is hard to make that work and we believe it should front and foremost with some limitation around the number of physical venues sports betting can be conducted.

In summary, we support Raised Bill 5168 as it reduces the attraction of the illegal gaming market. It provides considerable incremental revenue for the State; it provides a competitive entertainment for consumers here and it supports existing investment and jobs, businesses that have been for a longtime and it provides equal opportunities to all the operators. Thank you for your time and for the opportunity to address the committee today. Any of us will welcome any questions.

REP. VERRENGIA (20TH): Okay are there any questions? Representative Sredzinski.

REP. SREDZINSKI (112TH): Thank you and Sportech for being here. We had this discussion several weeks ago so I don't, you know, feel the need to react to other things that have been said today. However, I think that part of your testimony indicates why legalized sports wagering is important and I don't think anyone should rush into that. I believe the majority of people in the room regardless of where they stand believe that to be the case it's just how we get there. And I know for your organization you would like to be part of the process as opposed to being left behind. So, I appreciate that. Thank you for coming and taking the time to testify. Thank you, Mr. Chair.

REP. VERRENGIA (20TH): So today we, I almost felt like I was in a court room for a little bit today,

but we did hear some legal opinions and I know you have your attorney present as he testified not too long ago at our informational hearing but, and I'll ask you the question if you want to opine at all on anything you heard from a legal standpoint. You, I'm sure you're well aware of the challenge the State has faced with respect to moving a gaming policy forward, the issue of exclusivity, etc. I just didn't know if you wanted to opine.

RICH PINGEL: Yes, thank you Chairman Verrengia and for the record, Rich Pingle, I'm the Chief Legal Officer for Sportech PLC. Correct, last time I appeared before this Committee it was to speak about sports betting generally and Sportech's interpretation of the issues around Tribal exclusivity, the ability of the State to offer sports betting beyond the Tribes, beyond the Reservation and similar to what we just heard from Professor Wallach we share many of the same opinions and I went to the hallway earlier to talk to Professor Wallach about that and tell him how refreshing it was to hear an unaffiliated third party make those arguments.

You know, certainly the attorneys, myself included, all have interests that we're representing. But to hear an academic come up, unaffiliated after having reviewed those and, you know, I'm excited to listen to his testimony again because he made some excellent points, many of which I've made, you know, at times I feel like I am yelling into the wind with 'em but so that was very refreshing.

Some of the points that he made regarding the placement of the server, there is federal precedence. He cited the 9th Circuit case but there

is potential issue with having wagers cross state lines. So if it is going from state-to-state or I think the open question was, I started speaking with him about, is State to Reservation, how that would work and if there is a Wire Act implication, HUGA implications, etc. The way it has been introduced into the Bills before the Committee is primarily an issue I believe for taxation of how it is going to be treated but I think there are some more significant issues about offering Tribal gaming off of Tribal Reservations. Trying to take a Tribal server and then offer it to the State of Connecticut proper there might be issues that are both with the Department of the Interior and also Department of Justice. So there are issues, you know, the deeper dive you take into some of the provisions of the Bill that would be, need to be examined further.

The other issue Chairman Verrengia had to do with the question about how would the court interpret the Compacts and whether they would look back in time to 1994 and my impression of that, and the Professor as well, acknowledge that there are many different interpretations, many different strategies which a litigant may pursue to answer that question. And certainly you heard from the Tribes, you heard from the Professor, I think simply what would be the more likely analysis a court would take is to hold the document and looks what's in the four corners of the page and certainly under that type of analysis there is no question whatsoever, sports betting does not appear in the Compact, it does not appear in the MOU which followed which resolved the slot issue. So to the extent we get into an analysis of what were the parties thinking at that point, I think it is very clear, they are all listed in the Compact, Section

3(a) of each of the agreements lists a very long list of authorized games. Section 3(d) of those Compacts say that if a game is not specifically enumerated in that section, it is not authorized. It does reserve the right for the Tribes to go back and to negotiate a Compact Amendment but it is not as of right, it is not with any sort of exclusivity attached to it and I think that is a situation that is more akin to what we're looking at here. There is no exclusivity provision. They are saying we want to offer sports betting, we want it exclusively. There is nothing in the Compact that give it to 'em currently or any sort of exclusive attachment.

The MOU when that was entered into was primarily to solve a dispute between the State of Connecticut and the Tribes about whether video facsimile which we all call slots were authorized on the Reservation or not and there is many papers that you can find on each side of that position but ultimately the parties agree to entering into this MOUs, Memorandums of Understanding. And that was primarily intended to preserve the status quo of the parties at that time. So when they talked about the Tribes being excused of their obligation to pay 25 percent of their slot revenue to the State, that would be triggered if the State passed any new law which authorized any other party to offer slots or, and then this is the operative phrase, "Any other commercial casino game." And it is not defined in the MOU, it is not defined in the Compacts but I believe a court would potentially entertain the argument that because the MOU was solving an ongoing dispute that that language was meant to preserve the games that were already negotiated in the Compact

without going through and listing them all out again. So I think that is one interpretation that could prevail as well. There's certainly others as creative as a lawyer can be, you can make arguments but I think that is a reasonable one to assume.

REP. VERRENGIA (20TH): As part of the discussion today there was some who testified that, you know, we were being unfair or not good partners with the Tribe because we were questioning the exclusivity. Put that aside and I said this, you know, it's incumbent on this Committee to look at the gaming, Connecticut's gaming policy holistically. If that side had their way, they would basically exclude you, the OTBs, you know, loss of jobs, your loss of revenue and in fact, if they had the entertainment zones as was testified, they would actually use your business model cause it was so successful. And on the surface I have a problem with that. And we heard a lot about the history of, the rich history of our Tribal partners. But you also have a history in the State and anyone can answer this, but just talk briefly about your place here in Connecticut and the business and the contributions you make to this State and the jobs as well.

TED TAYLOR: So the history of OTB is complicated but simply in 1993 it was purchased from the State and some people won't be surprised to hear that I think the story was it lost \$10 million dollars, the State sold it for \$20 million dollars and then those guys made a fortune and went away and got rich.

We bought the business ten years ago and we bought it for a number of different reasons. We moved our North American Headquarters here, I've moved here, Richard has moved here, you know, something we don't

talk about a great deal but we've invested lots more money than we've ever taken out of the State. So more than the profit, we actually brought money from England to invest in Connecticut. Think that's fair? So, you know, I know we're much smaller, we've only over the last 20 years, its only \$200-\$250 million dollars the taxes we've driven for this State and we do only have 350-400 employees but that is more than when we came here and their jobs are important to. So, you know, without banging on about things, I think we just want to be recognized fairly in an environment which we do not believe is exclusive to anyone party.

REP. VERRENGIA (20TH): Certainly without getting into any details, if there are any, in an effort to compromise or work together has there been any talks or negotiations between Sportech and our Trial partners?

TED TAYLOR: Yes there has.

REP. VERRENGIA (20TH): Good answer. So I guess the one last question is, you know, again from my perspective I just see the value of negotiating this, bringing the parties together and being inclusive particularly because of any potential legal matters or whatever. And I am going to ask this question, maybe not fair but, if you were to be excluded from offering sports betting either brick-mortar or online or both, could the State anticipate any lawsuits?

RICHARD MC GUIRE: Let me go back to my previous answer, it wasn't meant to be flippant but I know obviously sometimes you're required concise answers, yes. There have been negotiations with all of the

other gaming partners, Lottery and both the Tribes and try to reach a compromise here for sports betting. Much of that is quite confidential but we are certainly trying to progress this obviously but I would say it is difficult when the compromise is work under our license or there is no license whatsoever. So it is difficult to reach a fair agreement.

In terms of should the State progress to authorize sports betting solely for the Tribes, we would have to seriously review our position. Ted has mentioned we have 400 jobs obviously at risk here in the State. As you've mentioned it would disseminate our business clearly to have entertainment zones modeled on our business model, in our doorstep, taking bets on spots is what really is what we do. What we do is we take bets on sporting events outside our venues. The casinos operate casinos, they have casino gaming and we are not looking to operate a casino obviously so we'd have to take a look at this very seriously to protect our investment and our 400 jobs obviously.

REP. VERRENGIA (20TH): Okay, thank you. Senator Osten.

SENATOR OSTEN (19TH): Thank you very much for coming, appreciate it. And I'm not certain if this question is already been asked. Do you do horse racing at Sportech too?

TED TAYLOR: Yes we have the exclusive license that was bought many years ago from the State for horse racing, jai alai and greyhounds, online and offline.

SENATOR OSTEN (19TH): So you have exclusivity for this?

TED TAYLOR: Yeah, we paid for that sometime ago.

SENATOR OSTEN (19TH): And last year and last session you got some additional benefits for that, what was that?

TED TAYLOR: So I'll explain it succinctly as I can in layman's terms and if you need a more detailed answer Rich Pingel will do that. But broadly what we did was, that licensing included the ability to take bets online on horseracing and for many years outside parties had been able argue it didn't include stopping them from taking bets. The legislature last year decided to change the law very slightly when tightened up the exclusive license and therefore required outside operators to not take bets from Connecticut because they weren't paying any taxes. And the biggest beneficiary is not Sportech because the tax rate is 3.5 percent of the particular sum is considerably more than Sportech would make.

SENATOR OSTEN (19TH): How much revenue do you give the State of Connecticut every year?

TED TAYLOR: It is just shy of about \$5 million dollars last year.

SENATOR OSTEN (19TH): And again, that is horseracing, you also act in a retail capacity or the Tribes act in a retail capacity in agreement with you?

TED TAYLOR: Yes, we operate bricks and mortar OTBs and the Bobby V's throughout the State and we also, there was a question asked earlier but both of the Tribal casinos have race books of their own and we

just happen to have a relationship with Mohegan Sun where we provide the betting infrastructure there.

SENATOR OSTEN (19TH): Okay, so you have exclusivity on horseracing, jai alia and what was the other one?

TED TAYLOR: Essentially horseracing, greyhound racing and jai alai.

SENATOR OSTEN (19TH): Okay, thank you. Thank you, Mr. Chair.

REP. VERRENGIA (20TH): Thank you, Senator. Are there any, Representative Ferraro.

REP. FERRARO (117TH): Thank you, Mr. Chair and just to continue with that line of questioning. Of course there is no more jai alai frontons in Connecticut and probably no plans to open one in the future.

TED TAYLOR: No.

REP. FERRARO (117TH): Okay, so we do have, and no greyhound that I know of, right?

TED TAYLOR: No greyhound, that was closed when Shoreline Star stopped being a greyhound track in '99 or 2000, a longtime ago now. I wasn't here.

REP. FERRARO (117TH): So we just have horseracing?

TED TAYLOR: We still be some because there is no horseracing live in Connecticut so we still bet on horseracing, jai alai and greyhounds online.

REP. FERRARO (117TH): So, bettors can bet on contests out of the State of Connecticut?

TED TAYLOR: Yes, absolutely.

REP. FERRARO (117TH): Through your facility.

TED TAYLOR: Yes.

REP. FERRARO (117TH): And because they go through your facility, Connecticut then receives the tax?

TED TAYLOR: That's correct.

REP. FERRARO (117TH): On those bets. If those bets were taken outside the State of Connecticut for those same facilities, Connecticut would have nothing, no reason to certainly.

TED TAYLOR: Yeah and because of the preponderance of gaming online, it is actually quite a large sum. So we came along 18 months ago and asked the State, just tighten up the law. The Attorney General previously had written cease and desist letters to all those operators and they fought them and we persuaded, you know, through multiple meetings as you know this happens, the law just needed tightening up and their arguing that it shouldn't have been done that way.

REP. FERRARO (117TH): So for full disclosure, I have never in my life placed a sports bet, I am a sport enthusiast. I love watching sports of all kinds but I do believe that sports betting is here to stay and whether it is done legally or illegally it is going to happen. So I think my feeling in regards to all this issue whether you get an exclusivity for horseracing or the casinos get an exclusivity for casino betting and games of chance, my gut reacts to it as it is not really the free market that we ascribe to in this country. And I listen to this and I get it, you know, these are 30 year contracts and, you know, people have performed in good faith and all that, but, you know, I just find it very hard sitting here listening, something I don't

partake in personally, and watching, listening to exclusive rights granted to your company or the casinos and thereby sidestepping the free market and that's where I have an issue.

TED TAYLOR: Yeah, it's a good point and one of the points that we've made fairly consistently is that we are not asking for exclusivity. We believe that Connecticut has 3.6 million people, has enough existing gaming partners for it to be a very competitive model for the consumer, protected under the existing regime of DCP, limited extra cost to the State and the State will get a level of tax in return for allowing it competitively is meaningful. Meanwhile people will still be placing bets legally online while they can.

REP. FERRARO (117TH): I understand that. You made a statement that the State received 3.5 percent tax and that is considerably less than what your profit margin is. Do you mind expressing what your profit margin is?

TED TAYLOR: I'll let my boss tell you, cause I'll get in trouble.

RICHARD MC GUIRE: It is a great question, I won't go into the specifics but the tax we pay is approximately 71 percent of our profits. The horseracing pari-mutuel tax, that is 71 percent of our profits.

REP. FERRARO (117TH): Thank you and just, thank you for your answers. And just one further question, currently you operate how many, actually I have two questions. You currently operate how many facilities here in Connecticut?

TED TAYLOR: We have 14 right now open and live.

REP. FERRARO (117TH): Fourteen and they are rather ubiquitously spread out through the State or?

TED TAYLOR: They tend to be in most of the bigger cities. I mean Stamford, Norwalk, Bridgeport, Milford, New Haven and then spread out. Nearly all the bigger cities except for Danbury.

REP. FERRARO (117TH): Are there any plans for future expansion?

TED TAYLOR: It kind of depends a little bit on what happens with the issue of entertainment zones because I love the fact that the Chairman of the Mashantucket Pequot, Rodney Butler says he loves Bobby V's and in their entertainment zones, I just don't know whether I can do more of what we've got in Stamford and Bradley if they are doing those as well. But we can see a marketplace which is whilst most betting is proving to be online, people are doing this, when you go out nowadays, the kids, what they do, is they sit in the pub on their phone and I mean anybody under 30. I do it myself if read the English newspaper while I'm having a glass of wine. So much of the online activity is taking place in environments which are friendly to sports betting for example. So sports bars, entertainment zones can easily benefit from both the opportunity to bet on a machine in the venue but also on my phone while I am in the locations.

So we've got a fair bit of experience seeing people do that on the horseracing side. So what will happen is I will see a chap in Sports Haven sitting in a restaurant and until, even now, he might be betting on what I call an illegal product, one of

the out-of-states operators so he is using my facility, my television, he might be paying for a cup of coffee but he is not paying any taxes here and he is not helping my employees grow their own careers.

REP. FERRARO (117TH): Well I thank you for those answers and thank you, Mr. Chair.

REP. VERRENGIA (20TH): Thank you. Any other questions? Okay, seeing none thank you for your testimony. Next up is Senator Formica.

SENATOR FORMICA (20TH): Good Afternoon, Chairmen Bradly and Verrengia, Vice-Chairs Senator Osten, Representative Paolillo, and the Ranking Members Hwong and Ranking Member Sredzinski, distinguished Members of the Public Safety and Security Committee. My name is Paul Formica. I am the current State Senator of the 20th District. Today I am testifying in favor of SB 21 which probably won't surprise many of you, AN ACT AUTHORIZING SPORTS WAGERING, INTERNET GAMING, A CASINO GAMING FACILITY IN BRIDGEPORT, ENTERTAINMENT ZONE FACILITIES, INTERNET LOTTERY AND INTERNET KENO.

Connecticut's continued partnership with the Mohegan and Mashantucket Tribes have been a success for all involved. To date Foxwood and Mohegan Sun Casinos have provided \$8 billion dollars plus in revenue for the State of Connecticut. Like so many aspects of our world science, technology, media the gaming and tourism industry must be allowed to evolve and modernize in order to stay competitive with surrounding states.

As Connecticut's gaming grows so will job creating and revenue for the State as a result of Compact

negotiated by the executive branch which includes exclusivity. Senate Bill 21 will enable Mohegan Sun and Foxwood Resort Casino to offer sports betting through agreements between the State and Federally recognized Tribes in Connecticut. Learning from neighbor states like New Jersey and Rhode Island sports betting would enhance the revenue to the State. Following those states, Connecticut can model the same, safe introduction of internet based gaming by employing proper precautions to verify people's age and physical location in order to participate.

I am proud to be part of a bipartisan group of Eastern Connecticut legislators who continue to work together in order to promote business, job growth and new technology. Together with the great Tribal partners that we have, we are propelling Connecticut revenue sources and tourism industry toward a brighter future.

In the early 90s as I was starting out in my business career I was President of the local Chamber of Commerce. We heard a presentation from Electric Boat who at that time was a critical mass in terms of their employee count, down around 6,000. They weren't sure they would be able to keep the doors open. Shortly after Foxwoods opened, soon to be followed by Mohegan Sun both of these great partners to the State of Connecticut created jobs upwards of 12,000 people. Supporting both former Electric Boat employees and the Southeastern Connecticut economy through a tough time. Today as we stand as a shining example of economic and job diversity as those resorts and Electric Boat combined to provide

over 30,000 jobs and are in the top tier of employers in the State of Connecticut.

Senate Bill 21 will give Connecticut the opportunity to continue that upward trajectory and to add stability to this industry and our ever growing State. I thank you for the opportunity to address the Committee this afternoon.

REP. VERRENGIA (20TH): Thank you, Senator. Are there any questions? Senator Hwang.

SENATOR HWANG (28TH): Thank you, Mr. Chair. Welcome Senator Formica.

SENATOR FORMICA (20TH): Thank you, Senator, Good Afternoon.

SENATOR HWANG (28TH): I just want to take a moment to acknowledge you and your bipartisan group of Eastern Connecticut legislators, one of which is sitting right next to me, Senator Osten, for your passionate advocacy for your community. And I think it needs to be repeated and acknowledged that the two Tribes and their impact on the quality life and economics in Eastern Connecticut has been well-documented and felt throughout. And I think it is important for people to recognize that you as a State Senator representing the various towns but also particularly New London as an entity that benefit greatly from the potential of economics and the potential growth of industry is to be commended. And we are not just simply talking about the two tribes and their impact in the community and working with you on the Energy Committee and the work that you did relative to preserving the status and maintaining Millstone for the benefit of Eastern Connecticut does not get recognized enough. So I

will say this, that as much as we may have a dialogue back and forth and as a Senate colleague that I respect greatly, we may differ on the end result of where the future of gambling will be, but make no mistake about it, it is absolutely critical for people of Eastern Connecticut to recognize the efforts of yourself and Senator Osten along with many other legislators that are fighting for their community. You should be commended and applauded for that.

But for you, where do you see, if this doesn't happen, what happens to the general community of Eastern Connecticut? Will it be able to have a revitalization just as UB has done or do you see a troubling State that will continue the decline of what we see in gambling revenue and the gambling industry as a whole?

SENATOR FORMICA (20TH): Thank you very much for those kind words, Senator and I appreciate your position on this very difficult topic. Gambling is not the be-all, end-all to the State of Connecticut's economy. It is a portion of it and I tried to indicate that in my testimony today. There are many things that will happen for the positive in Eastern and other parts of the State of Connecticut as we continue to grow our manufacturing workforce and as long as we are a government and a place that is promoting business and promoting job growth and promoting the opportunity for that training, and providing a stable tax base, we will grow as a State of Connecticut because we have so much to offer here in this State.

I believe it to be the greatest State of the fifty, so I think we have a good future. This is a part of

it. This has been able to get us to this point. The conversation moving forward needs to be discussed and we need to come up with a solution that works as in most negotiations as win-win.

SENATOR HWANG (28TH): And I think we are in agreement on that, that gambling as an industry is one small part of what is needed on the economic revival for Connecticut and I want to thank the Chair for this opportunity and I want to thank you for testifying. But I also want, again, be a part of the fan club that says, thank you very much for your work in your district, not only in regards of supporting the gambling institutions in the community but also from your work in energy and your leadership on the tourism industry. You're right, you have embodied that there are other means of economic revitalization that the State of Connecticut needs to focus on and you have done that in many parts. So thank you very much. Thank you, Mr. Chair.

SENATOR FORMICA (20TH): Thank you, Senator.

REP. VERRENGIA (20TH): Thank you, any questions. Senator I just have a question. One of the challenges we have, is, I have for that matter, is trying to get a sense of the gaming industry particularly the casino industry here in the State and there is talk about saturation and the State's ability to have another casino. You know, we look at East Windsor, you know, we did the best we could three years ago when it was passed based on the information that we had. We were promised or told that if we didn't do it we would lose tens of thousands of jobs, it's gonna impact Connecticut's economy, there's gonna be \$70 million dollars to the

State and over these two years, we learned just by the virtue of time that that is not the case. That the market is underperforming for whatever reasons. We know that the Tribes have talked about reducing their financial investment in East Windsor, less than \$300 million and they have adopted to the change which makes good business sense. That's not something to be critical of.

But my question is, as we move our gaming policy forward how do you derive the feasibility of another casino in Bridgeport or anywhere else for that matter in this State because one thing we struggle with and have struggled for years, is we don't have any data to work off of and the data that we do as legislators, it is biased because it comes from one stakeholder or the other? And, you know, there is a Bill out there about a study, to study Connecticut's gaming policy which I think it's time that we look seriously at that going forward. But I'm just trying to get a sense what your thoughts are as far as this State's ability to sustain another casino.

SENATOR FORMICA (20TH): One of the things that I think gets overlooked with this great partnership that we've developed with the Tribes and the Compact is the diversification that they bring to a community. There are many other businesses and many other jobs that have been spawned by these operators of the biggest resort casinos in the world that have benefited the people on Main Street of Eastern Connecticut. And I think that is something that Bridgeport can look forward to and is probably something that they're considering when they would like the opportunity to have a smaller casino in Bridgeport and I only say smaller because I don't

think the size of the resorts in Eastern Connecticut can be replicated whether you wanted to or not. So I don't mean any disrespect to any other community but I think that the opportunity for placing an entertainment value there, there is many other aspects. There is shopping, there is entertainment, there is dining, there's many other opportunities that come with these plus the diversification of the other independent franchises jobs that they have created and I think that bodes well for Bridgeport. Bridgeport is a place that I've supported as a place to grow economically because if Bridgeport and the other major cities in our State do well then we all do well.

And as my work on the Energy Committee, I've worked to promote Bridgeport and especially New London so that we can grow our State equally together, all boats rise at the same time. So, I think that is part of it. You know, gambling is probably not, you know, the [skip in recording] that it once was but I think this revenue to the State is down \$20 or \$30 million dollars projected this year, last year whether that is people less going or whether that is the impact of Springfield or other out-of-state casinos, I don't know. But you're right we didn't have the opportunity to sit and say here is the data what are we gonna do, we were playing defense. And I saw we, I speak for the Tribe. I shouldn't speak for the Tribes, but I mean the Tribes. But the Legislature was playing defense when it tried to put the opportunity for East Windsor there and whether MGM is underperformed or not, I don't know. I haven't looked at their business model and their projections from the beginning but it would seem that it is.

So, I think in answer to your question the opportunity for diversification is probably the biggest reason.

REP. VERRENGIA (20TH): Fair enough. Any other questions? Thank you very much, Senator. It is always a pleasure to see you.

SENATOR FORMICA (20TH): Thank you, thank you very much for the opportunity to speak with you, a pleasure to see you and thank you for having this very important conversation.

REP. VERRENGIA (20TH): Okay up next is Andrew Winchell. Oh, go ahead.

ANDREW WINCHELL: Chairman Bradley, Chairman Verrengia, and Members of the Committee thank you for allowing me to testify regarding HB 5168. My name is Andrew Winchell and I am the Director of Government Affairs of FanDuel Group, Inc.

FanDuel was founded as a fantasy sports company in 2009 and we have since grown to serve over 7 million fantasy sports customers. While fantasy sports are distinct from sports betting, our experience has been key to developing the type of first-class mobile sports betting product that appeals to fans. Today our sports betting business operates right brick and mortar sport books in six states and is a market leader in the online sports wagering market in the four states where we currently operate.

In opening a lawful market for sports betting, however, we cannot overlook the fact that a current market for those who want to bet on sports online exists today, an illegal market run by offshore sites has been thriving for years and continues to

advertise heavily to users in New England. These offshore sites are not regulated, do not provide any tax revenue, and do not provide any consumer protections. To shift consumer demand from the offshore market to the legitimate market, Connecticut will need to create a competitive, regulated market where robust competition from experienced operators, subject to a reasonable tax rate, ensures that lawful products make for a compelling offering.

We are encouraged by the General Assembly's willingness to consider the issue of a competitive sports betting marketplace and respectfully urge you to follow in the footsteps of successful early adopter sports betting states like New Jersey, where the reported revenue numbers attest to the power of a competitive and mobile sports betting market. New Jersey saw \$540 million dollars in wagers in the month of January 2020 alone, with 87% coming from online bets. Multiple operators drive competition to offer superior consumer engagement and economic activity which benefits both the consumer and the State. More operators mean not only better products and customer engagement, it also means more advertising revenue for local TV, radio and print and more revenue for the state. One needs to look no further than neighboring Rhode Island in contrast to New Jersey to see how competition drives consumer engagement. Rhode Island authorizes sports betting at two casinos and via a single, lottery run, online platform. While New Jersey's population is 8.4 times that of Rhode Island it generated over 20 times the amount wagered on sports in January 2020.

Our suggestion would be follow the lead of New Jersey and allow each of the four Legacy game operators in Connecticut to partner with multiple online sports wagering platforms, in order to ensure a competitive online marketplace. Thank you again for this opportunity to submit testimony.

REP. VERRENGIA (20TH): Thank you for your testimony. Are there any questions? Seeing none, thank you, sir. Okay, I'm gonna call up Jason Lebel next followed by Ne

JASON LEBEL: Thank you very much Cochairs Senator Bradley and Representative Verrengia, Vice-Chairs Senator Osten and Representative Paolillo, Ranking Members Senator Hwang and Representative Sredzinski. My name is Jason Lebel, and I am the Council Representative for the North Atlantic States Regional Council of Carpenters and a member of Carpenter's Local 326. I am here today to testify in favor of SB 21.

As Connecticut has debated gaming issues over the past few years, Rhode Island has added sports betting; New York is likely to pass sports betting legislation before the end of the current legislative session. New Jersey is leading the way for everyone, with a sports book that competes with Las Vegas. New Jersey has collected more than \$53 million dollars in tax revenues since the launch of sports wagering.

In Connecticut, we are lucky to have valued partners in the two Tribal governments that run gaming entities in our state. Since the inception of the initial Compact, they've sent roughly \$9 billion

dollars to Connecticut's coffers. These numbers are important, but they don't tell the whole story.

So, I remember back when I was a young man in the fifth grade, and mind you I'm the son of an immigrant and my mother used to cry when I had to go to the doctor. I had never been to the dentist before. My father was a carpenter, he was framing houses in Eastern Connecticut, so there's no benefit, no extra money to take care of things like medical.

Well when I was in the fifth grade my father had a life changing experience. I got to see this firsthand in my life. He joined the carpenters union. Mom didn't cry when it was time to go to the doctor. I started going to the dentist twice a year all of a sudden. So these are real life things that happened in my life as the result of the casinos being built in Eastern Connecticut.

These opportunities don't come all the time for folks in Eastern Connecticut. I would like to see Bridgeport share in those opportunities as well. I represent 4,000 carpenters give or take, statewide in the State of Connecticut and it is important that we realize these opportunities don't come every day. Opportunities for unrepresented workers to become represented through these careers.

Bridgeport will offer us that opportunity. Now on top of that, when I was 18 years old, I graduated high school. There was nothing being built at that time in Eastern Connecticut. So I ended up framing houses for little to no money in the woods. But then all of a sudden when I turned 19, guess what? Mohegan Sun started building. I then had the

opportunity to go ahead and work there and that started by career. I became a carpenter's apprenticeship and here I am today.

I am able to support my family through the benefits and the wages that I make as a union carpenter. And very simply we live a comfortable lifestyle. We live a comfortable lifestyle and I would like to see that lifestyle extend to the folks in and around Bridgeport as well. So with that, thank you very much for listening. Any questions from the Committee?

REP. VERRENGIA (20TH): Thank you for your testimony. Are there any questions? Okay, seeing none thank you very much. Next up is Neil Eskin.

NEIL ESKIN: Co-Chairs, Ranking Members, and Members of the Committee, my name is Neal Eskin and I am the Senior Associate Athletic Director at the University of Connecticut. I am jointed today by my colleague Adrienne Swinney, Chief Operating Officer for UConn Athletics who is here joining me to answer any questions you might have. Thank you for this opportunity to provide testimony on behalf of the University concerning the sports wagering legislation currently under consideration.

We appreciate the General Assembly's continuing support of UConn and are grateful for the Committee's efforts to engage the University in dialogue about the impact that gaming in the State of Connecticut may have on student athletes and the community of fans that attend our athletic events.

UConn strongly opposes collegiate sports betting. Intercollegiate athletic competitions are conceivably the easiest to influence given the

vulnerability of the 18-to-22 year old student athlete population. Unlike professional athletes, who are highly-compensated, student athletes are especially susceptible to attempts by individuals seeking non-public information or to influence competition outcomes. Additionally, student athletes' are more accessible than professional athletes and make them easy targets for harassment by members of the public who want to profit from UConn sporting events. Participation in intercollegiate athletics is a critical component of a student's overall educational experience. UConn's commitment is to provide them with an outstanding academic and athletic experience, while preparing them for success after graduation. It is our responsibility to ensure their health and welfare. Collegiate sports betting will no doubt make these tasks more difficult. Everything from previously innocent player-fan meet and greets to all student athlete interactions with the public will now have to be closely monitored and restricted if collegiate sports betting is legalized.

Currently, the National Collegiate Athletic Association (NCAA) has strict guidelines for member institutions in place regarding gambling. The NCAA believes, and we agree, that collegiate sports betting has the potential to undermine the integrity of the sport and also can jeopardize the health of student athletes. As amateur athletes and young adults, student athletes are vulnerable to undue pressure of those trying to impact the outcome of a game.

Presently, NCAA Bylaws prohibits student athletes and athletic department staff members from knowingly

participating in sports wagering activities or providing information to individuals associated with any type of sports wagering. Penalties for student athletes can result in the permanent loss of eligibility to play collegiate sports or termination for employees. Additionally universities could also be forced to vacate victories if gambling is involved in game outcomes.

Some might argue that legalizing collegiate sports betting would somehow make things better for our student athletes. We cannot disagree more. We believe that legalizing collegiate sports betting will create an unhealthy culture where there is pervasive interest in the physical and mental health of student athletes by bad actors looking to influence gaming outcomes. We believe it will dramatically increase nefarious activities. No amount of money derived from the legalization of collegiate sports betting is worth this risk for our student athletes, for our Universities and for our State.

If collegiate sports betting in general is legalized, UConn and the other college sports programs in Connecticut will have to greatly expand education, training, and monitoring efforts as we endeavor to protect student athletes and the integrity of the sporting events played in Connecticut. Limiting public access to our student athletes may also have to become a new reality. All of this will require new resources and put even more strain on budgets that are overburdened. If this occurs it will be an extremely significant financial challenge but we will not ask for a reimbursement of such costs. We don't want to be perceived as

profiting from sports betting. We also will not ask the State for any reimbursement of education and monitoring costs or request additional funds to our state block grant.

While we recognize the state's interest in legalizing sports betting, the University strongly encourages restrictions related to collegiate sports betting specifically. We request that wagering on any regular season or post-season games in which UConn competes, no matter whether those games occur inside or outside of the State of Connecticut, be prohibited. Nine states that have enacted collegiate sports betting have prohibited wagering on their in-state collegiate teams including, New Hampshire, New Jersey, New York and Rhode Island. Several other states, including Massachusetts, have legislation pending that would prohibit wagering on their in-state collegiate teams. We encourage Connecticut to do the same. UConn also urges you to ban post-season tournament betting on Connecticut teams.

Adding the following exclusion to the definition of "Sporting event" within the Bill language would address our main concerns. We request that means sporting event does not include an intercollegiate sporting or athletic event that takes place in Connecticut or an intercollegiate sporting or athletic event in which any Connecticut intercollegiate team participates regardless of where the event takes place.

We encourage you to take this measure to modify the definition of sporting event as suggested, to do what other states have done already in order to protect the student athletes who represent our

Universities and safeguard the pride that the citizens of this great State have for our local college teams. We cannot expose ourselves collectively to the potential of significant negative consequences. We cannot sacrifice the value you place on integrity. It is simply not worth the risk.

In closing, we would like to reiterate our appreciation for your continued support of the University. We are also grateful for this opportunity to provide feedback and would be happy to answer any questions.

REP. VERRENGIA (20TH): Thank you. Senator Hwang.

SENATOR HWANG (28TH): Thank you, Mr. Chair. Thank you very much for that effective and eloquent articulation. This language was in last year's Bill was that not correct?

NEIL ESKIN: That is correct.

SENATOR HWANG (28TH): And the rationale for that as you articulated it is a real concern for the integrity of the student athlete dynamic and the sport itself. Would that be correct.

NEIL ESKIN: Correct, the student athletes are a vulnerable population as I mentioned and nothing is more paramount than the integrity of the sport.

SENATOR HWANG (28TH): And you're here on behalf of UConn but would it be safe to say that with all the relevant colleges in the area as well, independent colleges feel very much the same way.

NEIL ESKIN: I would believe so.

SENATOR HWANG (28TH): And I'll be quick and just ask the articulation and the concerns that you raise if applied even beyond intercollegiate sports, would also apply to our pro sports and the sport itself. I think as I had the exchange earlier with the professional leagues, the integrity of the sport and the institutional standings that it has. If you study back to the history of major league baseball and their steadfast opposition to gambling and part of the institution and character of the community of this country. Do you not see that perhaps we should proceed slowly and evaluate all the consequences of sports gambling as it trickles down? Because the reality is even if we pass a Bill that excludes our student athletes and colleges the trickle down affect, the blurring of the lines are inevitable. Would you not offer to say maybe this an overstep beyond what the focus of intercollegiate exemption but sports gambling as a whole, do you not see a concern that if we should pass a comprehensive sports gambling Bill and even if we exclude universities, minor leagues and high schools that there is an inevitable trickling down affect that would adversely impact the mission and ultimately the integrity of the college game.

NEIL ESKIN: Certainly appreciate your comments and the spirit of where you're coming from today. My focus is on the University environment and UConn and our student athletes in particular and I think I've shared thoughts related to that subject.

SENATOR HWANG (28TH): Thank you. I think the point would be what would you say to someone everybody else is doing it, we're losing out. We're losing out in the engagement. What would you say to

individual that articulate that point of argument as we've heard so often, why don't cha, everybody else is doing it?

NEIL ESKIN: Everyone else doing it does not make it right for the sake of integrity and what we've feel is the right thing to do. I think we need to evaluate as I've indicated the impact on this particular population which is very important to people in this State and evaluate it appropriately and take a lead from, there is a reason that nine other states have done this, to protect their student athletes. They are young adults. Those seeking higher education at colleges within their states. You know, we need to safeguard that. We need to treasure that. That is an asset to the State. We should protect it.

SENATOR HWANG (28TH): And I thank you for eloquent statement relating to college athletes and if I may, even borrow that parlance, I would offer that we should go up and continue along the entire line of our sports and athletics as part of our culture and institution and lessons that we learn from them. So, you're right. I couldn't have said it better myself extending to all of sports and the potential of sports gambling as a whole. So thank you, Mr. Chair.

REP. VERRENGIA (20TH): You're welcome.  
Representative Genga.

REP. GENGA (10TH): Thank you, Mr. Chairman. You mentioned how this group, age group is very vulnerable but if sports betting and wagering becomes in place what about the student body. How

would you approach that regarding their participation in that?

ADRIANNE SWINNEY: Based on current NCAA Rules I think the same safeguards we want to have in place for our student athletes we would also want to have for students because they too are in the same age bracket and can be leveraged from family members, community members as friends of student athletes to try to solicit information or try to use their friendship to influence outcomes of games with student, the vulnerability of the population at large would be of concern and would be something that we would be seeking. There is a state who has banned their actual employees and students from betting on college competition I cannot recall the state at this point, but I would imagine we would want to be going down the same line of excluding our staff and our students from being able to bet on intercollegiate sports for some of the same reasoning.

REP. GENGA (10TH): Thank you. If the Bill requires individuals to be 21 or older, you still have some students, how would you approach that? Would they be allowed because they are 22, 23, 24 going to the universities.

ADRIANNE SWINNEY: I think the position would still be that we would prefer that students not be allowed to bet on our college campuses, that that would be the preference. In the same vein, the current NCAA rules which don't allow staff, our student athletes, just faculty on campus to bet on NCAA sponsored events we would want to see that brought into the student population of sports gambling or legalizing in the State.

REP. GENGA (10TH): Is there a way that you could control that compliance to hold those who were the proper age but attending UConn from participating?

ADRIANNE SWINNEY: It would be difficult starting with online gambling, IP addresses and different things that could be tracked or traced back to the owner who has placed the bet but it would behoove us to have appropriate monitoring and education in place which is where those increased costs would come into play for us to just show due diligence that we are trying to monitor. It's difficult to track any area fully but we would want to certainly put forth the best effort to have monitoring efforts and compliance and education efforts in place to protect as much of the integrity as we possibly could.

REP. GENGA (10TH): You mentioned in your testimony that you don't want any additional monies for compliance. What kind of compliance would you, cost would you have if you were to implement these compliances once this was approved by the legislature?

ADRIANNE SWINNEY: So we have a current compliance staff of individuals who are responsible for monitoring all of our NC2A rules, other state regulations that might apply to our department. We would absolutely have to add additional staff, would have to take on sole responsibility for education of 24 teams of over 600 student athletes, would have to educate our staff who would have to educate our coaches and educate the broader campus community so it really would be in form of additional staff, actually we take on those efforts to track how this is impacting different states, impacting our campus

and be responsive in that regard and also be responsive to any NC2A legislation that come about as a result of the change in legislation across the country. So it would be that materials, resources, you know, online opportunities to educate as much as we possibly can our constituents which includes our student athletes and staff and those on our campus to make sure they stay abreast of what the requirements are and those are every changing and this is something we have to do annually and throughout the year.

REP. GENGA (10TH): Just an addition, you mentioned staff. Obviously they are of another group, would you be able to control through contractual basis that they not participate in sports wagering?

ADRIANNE SWINNEY: That certainly would be a part of what we would be advocating for. Currently our staff has to sign paperwork each year recognizing what the NC2A requirement are regarding gambling on NC2A sponsored sports and agree not do so and we will continue to pursue that type of language with our employees within the athletic department.

REP. GENGA (10TH): Thank you.

REP. VERRENGIA (20TH): Representative Sredzinski.

REP. SREDZINSKI (112TH): Thank you, Mr. Chair. Would you agree Neil that gambling occurs on college campuses now?

NEIL ESKIN: Yes.

REP. SREDZINSKI (112TH): So what would be the difference if we legalized it and UConn was a part of the Bill?

NEIL ESKIN: Oh, I think, you know, more permissive the activity, the more public it is, the more people that are involved, the more money that is on the line. From our perspective the greater the possibility that gamblers will look for some sort of an advantage, right, an edge. How do we get an edge? That advantage could be to find someone that knows the athletes, could be finding another student that knows the athletes on our campuses and trying to get information like the inside scoop on an injury or does he have/or she have a test that is causing undo pressure or what's the general health of the player or could be encouraging a player to earn some extra money by, for example, missing a free throw, throwing a basketball out of bounds at the end of the game. We think that the more public, the more permissive this is, it's gonna cause a great deal of pressure, additional pressure on young adults that have enough of that already with schoolwork and athletics. Mental health is a big, big subject right now in the population of young adults. We don't need them feeling any additional pressure so that is why we are requesting that our in-state collegiate teams are excluded.

REP. SREDZINSKI (112TH): You mentioned that you wouldn't take any additional funding, meaning that if let's just say part of the Bill included UConn but also provided for additional funds that would help you deal with some of your compliance and monitoring issues. What would you do in place of that? Obviously you have a budget, you know, and you have to follow your budget. It's gonna require more work, more tracking, more monitoring. How would you handle those situations if you aren't gonna be getting any extra revenue?

NEIL ESKIN: We would best have to, and Adrienne can weigh in too, we have to reallocate resources to make sure we protect our student athlete population and the University because we have to operate under the NCAA Rules that we refer to and we have to ensure that we are compliant with these rules. So as I mentioned we don't want to be seen as profiting in any way from sports betting activities. So it is our position that we would have to do everything in our power, within our resources, to be compliant and ensure that we are following the rules that we must follow for NCAA Regulations.

ADRIANNE SWINNEY: Essentially would be a redeployment of existing funds which would inevitably impact the current student athlete experience. In order to protect their experience we may have to impact the current are of their experience in order to redeploy those funds to ensure the proper compliance, and monitoring and education.

REP. SREDZINSKI (112TH): All right, that's all I have. Thank you very much for coming up. Thank you, Mr. Chair.

REP. VERRENGIA (20TH): Thank you, Representative. Representative Vail.

REP. VAIL (52ND): Thank you, Mr. Chairman. Good Afternoon. So in the beginning of your testimony I think you mentioned that you recommend that we exclude all NCAA sporting events from betting, is that correct?

NEIL ESKIN: What we said is any intercollegiate event that takes place in the State or any intercollegiate event in which a Connecticut college

team participates regardless of where that event takes place.

REP. VAIL (52ND): Okay, so you don't have a stance on betting on NCAA games outside the State of Connecticut in general.

NEIL ESKIN: Well as I mentioned, we are not supportive of collegiate betting but we understand that it creates interest. So as other states have we feel this particular carveout will instill some necessary protections to the teams that participate in our State. And we feel that is a reasonable request to make.

REP. VAIL (52ND): I certainly understand the thought process around it, but I just have some concerns on consistency because, number one as Representative Sredzinski admits, there is currently illegal gambling that goes on that certainly there is at some level of risk now that exists currently and you're just saying because it's gonna be more wide spread and permissive that level of risk is gonna grow exponentially? And again but one other thing is all our neighboring states allow sports betting but they don't carve out Connecticut. They carve out Massachusetts, Rhode Island and New York and so I don't know what we're really accomplishing here when someone could just go over the border and then also what about our instate high school athletes that go on to play Division I basketball in our neighboring states and beyond? Whether it be Kansas or Delaware or Massachusetts they are still at risk there too, how do we address that? I'm all for consistency and that is where I'm having trouble. I understand why you want to do it and it,

how do we solve those problems because they still exist?

NEIL ESKIN: Those are difficult questions to answer and I don't know that you could solve them 100 percent. I think in general we're opposed to collegiate sports betting but it is difficult to insert the consistency you're suggesting necessarily because of the proximity of other states and what they've done. That makes it a little more difficult. I think our suggestion is trying to insert a minimum, a practical suggestion, you know, something that a minimum that would be consistent with other states are doing and, you know, perhaps allow us to have opportunities within the border of our State the best we can. There's always going to be situations with people finding a way and finding a way to do something that is not right. But this would be a minimum set of protections within the border of our State to protect our colleges and the student athletes that participate.

REP. VAIL (52ND): Okay and just one last question about employees. Is it gonna be that they can't be on collegiate sports or not bet at all? Like could they bet on an NFL game or MLB or anything like that?

ADRIANNE SWINNEY: I think it would be contingent on what the NC2A decides in terms of their governing language as for us as a member of their body. At this point we can't bet on anything that the NC2A sponsors.

REP. VAIL (52ND): Okay.

ADRIANNE SWINNEY: So if like for football per se, even it was a sport that we don't offer, as long as

the NC2A sponsors a championship for it we are not permitted to bet on it. So it would still be in line with whatever the NC2A's requirements are for us as a part of, for them as our governing body we would have to be subject to that ruling.

REP. VAIL (52ND): And one last, last year we had the NCAA Tournament right here in Hartford. So your suggestion would say you would not be able to bet on any of those 18 was it 8 or 16, 18 teams that played here in a regional thing at Hartford, one of them were from Connecticut just saying they wouldn't be able to bet on those games?

NEIL ESKIN: If the legislature wishes to permit tournament betting we would suggest some conditions related to that similar to what some other states have done. For example, New Hampshire has language indicating that tournament betting is permitted but must be done before the tournament starts and goes on to say it must be based on the outcome of all games, not just one. By doing this you're putting some protections, protections are remaining in place since tournament betting would not be dependent on any one game. What we said, someone could not bet on Connecticut's participation in the NCAA Tournament but if tournament betting was something that legislature wanted to proceed with we would suggest some conditions like I just shared which were done in New Hampshire and some other states. It is based on the outcome of the entire event not just one.

REP. VAIL (52ND): And that makes sense. I know you're probably opposed but if UConn could be bet on, cause you know a lot of people if they make the tournament get excited, every done does a pool that

they would allowed to be bet on as long as the bet was made before the tournament started and the only bet was they would win the tournament?

NEIL ESKIN: Yes but on the outcome of entire event and multiple teams not just an individual game that Connecticut might participate in within that tournament.

REP. VAIL (52ND): Okay, that's good. Thank you.

REP. VERRENGIA (20TH): Representative Smith.

REP. SMITH (108TH): Thank you. Thank you for your testimony. Just a quick question, given the current situation now where there is really just the illegal betting, some of the efforts that you describe with respect to educating students are you engaged in those now and are you just anticipating going on, no pun intended, steroids if it becomes a?

ADRIANNE SWINNEY: We currently do it annually. Our compliance staff has an education curriculum that is for staff and our student athletes and so that happens every year. I would absolutely have to go on steroids if permitted, if sports gambling became permission, we would have to ramp it up a lot. We actually have the FBI on our campus within the last month speaking to our staff about, if this becomes passed what are some of the implications, what are some of the red flags. They spoke to us about even, you know, organized crime and how they get involved in gambling and how easy and subtle and intentional they are about drawing and wooing these students in, to build friendships with them and then get them to agree one time, not to fix the outcome but to just cover the spread and then once they do it once, essentially they have them in their grips until they

decided they no longer want to have them under their control and so that was frightening for me as an administrator responsible for creating a quality student athlete experiences to know about opening up this door we could possibly be inviting that level of involvement, enticement and entanglement for students that are 17, 18 to 22 years old, some from challenging socioeconomic backgrounds may be making a decision not being make on integrity set forth but their personal family situation. And so we have already started in the event that it does go forward we want our staff to be educated and to understand what challenges we might be up against.

REP. SMITH (108TH): So that is already a part of your budget then?

ADRIANNE SWINNEY: Well this is, we bring in speakers annually for our full staff meetings and we just elected for one of our full staff meetings to have that as a point of discussion and topic.

REP. SMITH (108TH): All right, so you don't have any idea whether it would be a factor of five that would increase your costs or ten, or just trying to get a handle on how significant an effort it is going to be.

ADRIANNE SWINNEY: I think the original proposal that included both staffing resources, technology was somewhere to the tune of \$300 to \$500,00 dollars to employ the staff that you need and have the resources, bring in outside individuals. There are companies who actually track betting and they present it to our executive team and our leadership team. Bringing someone on like that who can alert you to when something is happening that seems

abnormal, like relative to spreads, we don't have that level of expertise and would have to have access to those types of individuals or service in order to help us monitor whether or not something is actually happening on our campus without students, so we would imagine that it would be somewhere in that range but based on our initial projection and not having a lot of data to suggest what would really be needed.

REP. SMITH (108TH): Great, thank you.

REP. VERRENGIA (20TH): Representative Ferraro.

REP. FERRARO (117TH): Thank you, Mr. Chair and believe it or not through the course of the discourse here, most of my questions have already been asked and answered. But I will take this time to congratulate the University of Connecticut for its current sports lineup. I'm looking forward to the women's championship tournament. I think they have a great chance. The boys have won some great games finishing out the season. I think we have one more left tonight if I'm not mistaken.

NEIL ESKIN: Thursday.

REP. FERRARO (117TH): On Thursday? Okay. So with that said, this is one scenario that I would like to run by you and I don't know how you can protect against it outside of outlawing or excluding all NCAA or college betting. And that scenario might be, let's take the UConn women's basketball team. They are currently on the edge of a number two seed and should during the conference tournaments Louisville and Maryland lose their games, there is a pretty good chance that can move up to a number one seed and so I can see where betting on those games

and influencing the players that play those games could benefit Connecticut players. So I know it's a far out scenario but it is something that could happen.

NEIL ESKIN: It is and as mentioned before with this sort of environment you're not gonna protect everything because people will find a way if they are looking to advantage themselves in some particular fashion. That is a scenario, that, you know, the basic suggestion here are to capture what we think is the core issue. I think that is more of an outlying issue but it could happen and I appreciate you bringing it up but we are trying to protect the core issue and that is within the borders of our State protecting our college teams and protecting our student athletes. And we think at a minimum we should do that just as other states have done.

REP. FERRARO (117TH): So I agree, it is an outlier and I do think that it's wise policy to exclude Connecticut teams and Connecticut players from participating. I also see it at the university level you're not allowing students to engage in sport betting at least on a legal basis and so I guess I bring it up for the point of view that maybe consideration should be the entire collegiate betting should be excluded from the Bill, but that's just my personal. So, thank you. Thank you, Mr. Chair.

REP. VERRENGIA (20TH): Any other questions? Seeing none, thank you, sir.

NEIL ESKIN: Thank you for the opportunity.

REP. VERRENGIA (20TH): Next up is Alex Roth.

ALEX ROTH: Good Afternoon, my name is Alex Roth and I am an Associate Council for League Governance and Policy at the NBA. Thank you Chairman Verrengia and Chairman Bradley, and members of the Committee, for the having me here today to share the views of the NBA on the issue of legalized sports betting in Connecticut. I submitted a written statement in advance of my testimony today and it walks through all the NBA' legislative priorities and I am happy to take questions on any of those. But I just want to hit a couple of quick issues before taking questions.

So, I'll start with the big picture. In the almost two years since the Supreme Court shut down PASPA we worked with a number states to encourage them to adopt the key elements of a best in-class sports betting framework. As my colleagues have testified here previously we are supportive of Connecticut moving forward to legalize sports betting and we would encourage the Committee to include a suit of key integrity protections in any Bill it ultimately considers.

I wanted to briefly cover our position that betting operators should be required to use official league data to settle in-game bets. For these in-game betting markets, they are growing over time, becoming increasingly popular in states that have legalized sports betting, data speed and accuracy are essential. Odds update and bets are placed in real time. And along these dimensions there is simply no substitute for official league data. It is faster, it's more accurate and it is more reliable than any of the plausible alternatives. Requiring the use of official league data will give

Connecticut bettors access to reliable and well-functioning in-game and proposition markets. And as this type of betting continues to grow in the United States and grow in any market that develops in Connecticut the health of the endgame betting markets and consumers faith in those markets is essential to the health and consumer faith in the betting market overall.

The proper functioning of brand new regulated market is critical to ensuring consumer confidence in legal sports betting and we encourage Connecticut to adopt an official league data requirement in its sports betting legislation. With that introduction, I'm happy to take any questions.

SENATOR BRADLEY (23RD): Are there any questions? Seeing none, thank you very much. We got a new sheriff in town so we're gonna start the three minute clock and I'm gonna ask everybody, we have quite a few people we have to go through here, so I just want people to be respectful to the three minute mark and if there's Committee members who want questions, please indulge in all the questions you find appropriate. But if we can have the Clerk please set the three minute marks and next we have David Church.

DAVID CHURCH: Good Evening, Members of the Public Safety Committee. My name is Dave C. Church. I have been employed by Foxwoods Resort Casino for the past 28 years. I began my career as a dealer when the doors opened in 1992, and advanced to Assistant Floor Supervisor. I was recently elected to serve as Vice President of UAW Local 2121 and continue to support the membership as a Steward.

A career in the casino industry has allowed me to live a comfortable life. I've purchased and paid off a home by working full-time for nearly 30 years. I met my wife Julie through the casino. She has been a part-time dealer for 23 years. Foxwoods provides an opportunity for her to supplement the income of her full-time position as a high-level educator in East Haven. She continues to work both jobs because she enjoys dealing blackjack, has developed relationships with coworkers and feels valued and respected by her employer. Our longevity alone in these positions should be proof of the types of jobs the casino provides, good ones.

Growing up in Montville, part of New London County, the area had limited jobs, resources, and an infrastructure in need. In 1991, after graduating from UCONN, I applied for part time work at McDonald's and was denied. The casinos created jobs, trained workers with new skill sets, and provided gainful employment. The Jobs generated by the casino industry meet the needs of such diverse individuals, regardless of socioeconomic class, education level, race, or ethnicity. It is my hope that other communities will benefit the same as mine has with the expansion of gaming.

We are truly excited that this bill will also allow for Sports betting in our Casinos. Sports betting will stem the cash from flowing across the state line to our neighbors. Sports betting is now available at Casinos in Rhode Island and New Jersey and our business has suffered as a result. We need to recapture the business we have lost by providing the services our patrons seek. As you know the UAW has an agreement with MMCT to allow the workers to

organize a Union if they so choose and I look forward to educating workers on the importance of collective bargaining. Since 2007, we have partnered with the Mashantuckets, with whom we have negotiated three contracts with and are currently negotiating our fourth. We are also excited to finally partner with the Mohegan Tribe and extend the opportunity to form a Union without interference to the employees in these new ventures.

I urge you to support SB 21 and I look forward to the State of Connecticut and the two Tribes continuing to work together creating a brighter future for all of us. Thank you for listening.  
Dave C. Church.

SENATOR BRADLEY (23RD): Thank you, very much, sir. Any questions? Seeing none, thank you very much for your testimony. Appreciate it. Next we have Mr. Jonathan Shaer.

JONATHAN SHAER: Good Afternoon. I am Jonathan Shaer, I am the Executive Director of the New England Convenience Store & Energy Marketers Association (NECSEMA). We represents the 1,700 convenience stores in the State and the nearly 8,000 across the region. I want to talk about a number of Bills and I'll be brief, HB 5168, 5189 and then Senate Bill 212 and Senate Bill 21 as I only have three minutes.

Lottery: Lottery is very important to convenience stores, it is very important for the commissions that it brings to the stores as well as the traffic it generates. In fact in a store, behind tobacco and the beverage center the lottery is the next generator of revenue so it is very, very important.

And again when those people come in and buy lottery tickets they will also buy all sorts of other taxable items so that foot traffic is crucial. The Lottery recognizes this too. In fact on their website it says, "The revenue retailers earn from the sale of lottery products helps to keep their profits and workforce stable."

We have a fabulous working relationship with the Connecticut Lottery Corporation and we continue to talk to them about all aspects of lottery but especially online lottery and the challenges that we have with it the least of which is not the fact that if the Lottery is able to put its products online, it would accept debit and credit cards for those. Well we make a five percent commission. Those debit and credit fees can be in the vicinity of two to three-and-a-half percent. We can't absorb those fees so if we don't accept the cards it's because we not willing to accept the fees but the Lotto is online which puts us at a competitive disadvantage. And as I said this is a very important product and the last thing we want to do is to be in competition with our supplier. But I don't believe that the Lottery is doing this in that manner intentionally at all but I do think it is something that we absolutely need to work through before the Lottery puts its products online and after, that is an important detail. That is our biggest concern with online lottery.

Sports Betting: Our association actually really supports sport betting and we would love to see the State get into it but we don't want to be left behind. The ways these Bills are drafted now it is the casinos, it six OTBs and I think the Lottery

gets a couple of high tier claim centers in one of the Bills, and high tier claim center I don't think is even defined. By no means do I think all 1,700 convenience stores need to have a sports betting kiosk. That would be absurd but there should be some set of characteristics that would qualify certain stores to have a sports betting kiosk and disqualify others. The reasons for having sports betting in stores are many. Ubiquity is crucial if your intent is to raise revenue, to handle liquidity for the balance and also if they are trying to stamp out the black market. Not everyone wants to do it.

I'll wrap right up. Not everyone wants to play online, not everyone is going to be able to make it to one of these two casinos or six OTBs. It's difficult to do business in this State. This is a huge opportunity for us and we would sure like to play a role as the State continues to look at sports betting, please don't leave us behind.

SENATOR BRADLEY (23RD): Thank you for being considerate of the time, sir. Questions by any Members of the Committee? Seeing none, thank you very much for your patience. Next we have Mr. Fred Grabowski. I'm sorry Ted looks like Fred, but it's Ted. No? Duane Getes. Charlie Astenwall. Joe Toner. Ingrid Gillespe, I don't know how you can read those names so poorly written there. Left, I'm assuming. Rob, I can't read that name either. Rob in the building? Yes. Come on through, sir. You gonna tell us your name? Thank you, sir.

ROB RACZKA: Good Afternoon Chairman Bradley, Chairman Verrengia, Vice-Chairs Osten, Ranking Members Hwang and Sredzinski and other distinguished Members of the Public Safety and Security Committee.

My name is Robert Raczka. I am here to testify in support of H.B. No. 5320, This bill would dissolve the Connecticut Lottery Corporation and transfer operational responsibility for the lottery to the Department of Consumer Protection. I am a Lottery Sales Representative with nearly 14 years of public service. I am also a member of AFSCME Local 318 and serve as a union steward at the Connecticut Lottery Corporation.

Front line employees at the Lottery continue to work to our highest capacity to maintain and deliver record returns year after year to the general fund. We have been consistently productive and unfailingly dedicated despite the revolving door of management through the years. I believe the CLC's status as a quasi-public agency has shielded our agency from full transparency and accountability. Transitioning CLC operations to the Department of Consumer Protection, which is currently our regulatory agency, will increase oversight and improve working conditions, resulting in fewer controversies and headlines while increasing our integrity and our players trust.

The statutes protecting CLC have enabled a system that should be black and white to one that has been gray. This has led to questionable behavior by management, excessive outside counsel fees, multiple CHRO cases, numerous court cases involving past and present executives, excessive FMLA use by Executive Management, questionable hiring practices, and high employee turnover.

At the end of 2019, the four unions representing workers at the Connecticut Lottery Corporation conducted an internal survey of our members

regarding working conditions at the agency. The survey indicated to us that there is a serious level of occupational stress. Yet the survey also revealed that our members care about their jobs. We like what we do, but we don't like what we're seeing.

I am deeply concerned about employee morale and labor relations. Time and again, the CLC has failed to observe our collective bargaining agreements. As employee representatives, we have no communication with the Board of Directors. We don't even have a seat at the table.

In closing, I want to reiterate that CLC employees are invested in the success of our agency. The Lottery is a revenue engine that continues to increase its contributions to the General Fund. We are ready and waiting to assist and implement any gaming expansion and see to it that it is successful.

The CLC's quasi-public status was a creation of the Rowland administration. It's time to pull away the curtain so we can embrace the future. HB 5320 represents a major step in that direction and I hope your Committee will support it. Thank you.

MARTIN NEGRALLE: My name is Mark Negralle and I'm a 24-year employee of the Connecticut Lottery Corporation and a proud member and steward for the Connecticut Employees Union Independent. I resonate with a lot of what my colleague said over here.

I think it would be a positive change. The Department of Consumer Protection, I believe would be a cohesive part of the Connecticut Lottery's success. It would support our competent marketing

team and sales staff and it would be able to engage in all current lottery initiatives and the ability to execute them with the highest integrity.

It is my belief that could build a bridge also with the Attorney General's Office which we haven't used since 1995. Falling under DCP's prevue will also eliminate disastrous language in Connecticut's Statute 12-802 which removes the Department of Administrative Services and the Office of Policy and Management from overseeing questionable hiring practices that have killed morale for too many years.

So, what will the Department of Consumer Protection get? A professional, first class staff. We have an IT group who is ready and able to manage any online lottery gaming that you would give them. So at this point, I would encourage you to move forward with House Bill 5189. In my opinion, there's bigger and better things from our IT staff as well as every other unit that the CLC that has proven customer service abilities and has the knowledge to accommodate the ever-expanding gaming market. And for those reasons, I ask you to please support House Bill 5320 and House Bill 5189. And we are willing to take any questions you guys have.

REP. VERRENGIA (20TH): Representative Sredzinski.

REP. SREDZINSKI (112TH): Thank you, Mr. Chair. Two quick questions, one would you, I know you're supporting going under DCP, but would you also support being put under a gaming commission?

MARTIN NEGRALLE: At this time, I did not look far into it and I was talking about this earlier with Rob. I wasn't looking to closely into the gaming

commission Bill because the gaming commission Bill from last year had a lot of systemic changes to the Connecticut Lottery that I think we supported. I though the gaming commission bill, I didn't know really how it would be possible to go with the gaming commission Bill and this Bill because it takes the Connecticut Lottery and it puts it within DCPs prevue but on the gaming commission Bill it seemed kind of conflicted that it would be either one or the other because it seems like DPC would then fall under the gaming commission. So I wasn't too sure and I really can't make a good opinion on this because I'm kind of conflicted on exactly what those two Bills would mean at the same time.

REP. SREDZINSKI (112TH): Understood, there are a lot of moving parts, so I get it. And final question, do you think that Connecticut Lottery can handle sports waging as well?

ROB RACZKA: As a salesman that now services our stores, I do believe so.

REP. SREDZINSKI (112TH): Thank you very much. Thank you, Mr. Chair.

REP. VERRENGIA (20TH): Thank you. Representative Morin.

REP. MORIN (28TH): Thank you, Mr. Chairman. Watch I know there is a new sheriff in town, so I'll try to be brief [Laughs]. Guys, thank you for coming and testifying. And I am asking the question, I don't know if you have the answer. Do you know how many employees there are at the Lottery Corporation right now?

ROB RACZKA: With management?

REP. MORIN (28TH): Yeah.

ROB RACZKA: About 140.

REP. MORIN (28TH): That includes salesmen and people who work in the back house and administration. And the reason I say that, it's a remarkable operation. If you look at the men and women that perform the duties there, cause I would argue that we're in every town in the State of Connecticut, there may be one or two that there is no Lottery presence and you put forth an awful lot of product, there is an awful lot of, the jobs have to be done in a precise manner, there is no room for error. When errors happen, bad, you know, bad things happen that costs a lot of money and I think you're folks that you represent do a terrific job for the State of Connecticut. You talked about one thing, I don't know if you can but expound a little bit on your concerns of the lack of transparency and what that means, if you don't mind.

ROB RACZKA: You know, almost everybody around this table is a familiar face to me, not so much probably me to you because I think most of the people at the Connecticut Lottery have watched Public Hearing after Public Hearing. We talk about sports betting here today, there is a lot of information. I mean, I can't imagine that it doesn't make your head spin. But no matter if its sports gambling, whether it is iLottery, whether it is the Play 4, Cash 5 if you don't have integrity, if you don't have transparency, they run hand-in-hand, it's done. This entire thing is done. We could pass as much legislation as we want to. But in 1996 they passed legislation that quite honestly allowed a gaming

industry, a whole section of it, to operate in a private manner.

We've had a lot of people come through, some better than others. I think it was setup in a way that, for instance, I talked about removing DAS, removing OPM, removing the Attorney General. I think when you create this type of legislation where you remove the oversight and in all honesty, a lot of this legislation quite frankly makes it so it's not really a lot of people's business. And unfortunately that answer has been given to many of you legislators and I think it is unfortunate, I think that legislation needs to be changed because in 1972 when we created the Connecticut Lottery, and it was under the Department of Special Revenue it was done, one of the reasons it was done is because a secret society had it and we were putting it back into the legal framework that it worked for many years. It still works but I think if you want to keep it open and transparent you have to breakdown and encourage oversight, encourage regulations. I think we need to have a cohesive partnership with DCP as well, so I appreciate your question and I think it is a concern. Many people who work there wonder if the oversight is needed even more because we get frightened. You know, there has been some Public Hearings here that have been frightening as an employee. This is our place of work. This is what we do, I've been there for 24 years. There's people been there a lot longer than I have. And for them and for people like them, I'd like to see more oversight.

REP. MORIN (28TH): Mr. Chair, just to close. I appreciate what you have to say and I am sorry I

wasn't here when Mr. Smith was able, was presenting because I would have asked how many states, and something maybe we could all get some information on, how many other states that have a lottery, I imagine most of 'em, operate in a quasi-set, the way we do now versus under, you know, typical like what we used to have? Do you know that answer or something? We can get that answer I'm sure. Right. And guys thanks for coming up and testifying. Appreciate it.

REP. VERRENGIA (20TH): So I just, before you leave, I just want to thank all the Lottery employees for their dedication. I know that this Committee has spent a lot of time over the last many years dealing with the Lottery and some of the challenges that the Lottery has faced over the years and a lot of it is the credit to the employees. Unlike any other issue, I personally have never received so many unsolicited emails of employees reaching out to this Committee and articulating some of their concerns and if it wasn't for that information and that communication, you know, I'm not sure where we would be today. But having said that, I think that we are in a better place today than we were in the past. And I'd like to credit the work of this Committee, the communication with the employees, the management that we really turned the page. I really want to believe that especially when we are talking about expansion of gaming, sports betting and including the Lottery and that conversation despite some of the past issues that we've had. So I look forward to continue to work with you, if you can relay that message on to your employees, we truly appreciate their dedication and work. So thank you for being here.

ROB PACZKA: And we thank this Committee as well.

REP. VERRENGIA (20TH): Okay, all right I believe up next, I don't want to skip anybody is Mr. Gallagher. Robert Jones or Roberta Jones? John Nimons, okay great. Boy whoever wrote this!

JOHN NIMONS: I am in support of Senate Bill 21. Good Evening Co-Chairs Bradley, Verrengia, Vice-Chair Senator Osten, Representative Paolillo, Ranking Members Senator Hwang and Representative Sredzinski. My name is John Nimons. I am the Business Agent for Sheet Metal Workers Local 40 representing 620 members throughout Connecticut. Also as the Vice President of Greater Hartford - New Britton Building Trades we represent 5,000 members just in the greater Hartford area. And if you add the bellybuttons to that, those are all families that are self-supportive, no social services, all self-supportive pensions, health funds and annuities. I am here to testify in support of Senate Bill 21.

The hardworking men and women of my union need the support of the legislature going forward to create jobs to allow my members and families who work. For years we've had the debate over this issue, for years we let Las Vegas Corporations intimidate us to the point of inaction. We can no longer afford to wait to make these steps for our State move forward.

I can go on and on about Massachusetts, Rhode Island, New York and New Jersey. You've heard this over and over tonight. The biggest part is those casinos have given us \$9 billion dollars in our State coffers.

The other part me, myself, my family, every one of my members we've all worked at either casino, all them down in Southeastern Connecticut. We can bring this to Bridgeport as they have always wanted, up in East Windsor and money into other parts of the State as we seem to need. This is a true jobs Bill. If we can put people to work building it, and people in there full time after the fact that are self-supporting and not just working part-time at their warehouses that we seem to build all over the State and they work at just above minimum wage. So, that's all I have to say. Thank you.

REP. VERRENGIA (20TH): Thank you. Are there any questions? Senator Osten.

SENATOR OSTEN (19TH): Thank you very much for coming up today and waiting all day to get a chance to testify. I really appreciate the work that you do and I look forward to providing at least one Bill that would provide some construction in it and this is the SB 21, is the only one that is left in the General Assembly that includes projects that would provide you and the other men and women who work in your field. So I just want to thank you very much for coming up and thank you for all the work you do. Thanks. Thank you, Mr. Chairman.

REP. VERRENGIA (20TH): Thank you. Any other questions? Seeing none, thank you. Next up Diana Goode.

DIANA GOODE: Hi.

REP. VERRENGIA (20TH): Hello and welcome.

DIANA GOODE: Thank you, Representative Verrengia, Senator Bradley and Members of the Committee. We

did submit written testimony. I am Diane Goode from the Connecticut Council on Problem Gambling and I am not just here to represent the Connecticut Council but I am also representing the estimated 70,000 Connecticut residents who fit the criteria for disordered gambling.

So I know we all live in Connecticut and understand the dynamics of what is going on here. I know you are under enormous pressure to come up with new forms of revenue, new revenue streams. We totally understand that. And a lot of what is being proposed here today will do that. Online gambling, using credit cards to gamble, legalizing sports betting, new casinos, entertainment centers, iLottery and Keno and that will generate more revenue because it will make gambling easier.

With this increased access will also come increased problems. We also think it is going to skew the demographics of what we assume a problem gambler is. It used to be the little old lady at the slot machine, now it is really skewed towards males in their 20s.

While the Connecticut Council on Problem Gambling is not for or against any of these Bills. We just want to make sure that as gambling becomes easier and more accessible that there are safeguards in place. One of things we're hoping you will consider is 2.5 percent of all revenue being given to the Chronic Gamblers Rehabilitation Fund which will then go to mental health organizations and nonprofit to help and prevent problem gambling.

We also really like the idea of a gaming commission to oversee and regulate all these new forms of

gambling. Love the idea of an impact study, people have talked about that before. Every ten years there is supposed to be an impact study in Connecticut looking at gambling, we haven't had one of those studies in 12 years. We are also hoping that operators, in order to get a license, will have to have a responsible gambling plan that includes training for all employees.

So we can't do what we do at The Connecticut Council without help on Problem Gambling without help from the industry, the Lottery, OTB, the casinos. We are really looking forward to working with the stakeholders and the Department of Mental Health to make sure we can mitigate the unintended consequence of problem gambling. Thank you. I think it beeped.

REP. VERRENGIA (20TH): Thank you. [Laughter]

DIANA GOODE: Do I get extra credit for ending early or did you just not beep me?

REP. VERRENGIA (20TH): Don't jinx yourself [Laughter]. Any questions? All right, seeing none, thank you for your testimony. So John Trister. Oh, Rich Pingel. You guys have a list? I can't even read this list.

RICH PINGEL: Thank you Chairman Verrengia, Distinguished Members of the Committee. Thank you for allowing me this additional opportunity to come up and speak to you about raised Bill 5395 which I appear here in ardent opposition of.

Raised Bill 5395 AN ACT CONCERNING ADVANCED DEPOSIT WAGERING which just for background essentially what that means is advanced deposit wagering is essentially online, off track betting through

account wagering. So to supplement the testimony I am providing here today, I have submitted written testimony which also has exhibits including the position of the Connecticut Attorney General, including Cease and Desist Orders that he previously sent to out of state illegal operators as well as correspondence between our Attorney General and that of the State of Oregon condemning the activities that underline this Bill.

So while I appear here on behalf of Sportech we also share common objection with the Department of Consumer Protection who I understand has submitted testimony in opposition to this Bill as well. As the DCP has unequivocally stated and acknowledged, Sportech is expressively and exclusively authorized to accept wagers place from or within the State of Connecticut. And this is not a new or a novel issue that we appear before this Committee during several sessions and looking to close this loophole that has been harming the State of Connecticut and our business as well. At last session we were able to get that specific language passed in Public Act 19-117. So again that language despite some of the statements that are made and some of the testimony that I have reviewed has been before this Committee before. It has been before the DCP, it has been before the Attorney General's Office, it has been before the Governor's Office. So this was a concerted effort to close a loophole that has been harming the State and our Company.

The language as I mentioned specifically closed the loophole under which these illegal operators had been operating and now that they are tax free, regulation free, holiday is suspended, they have

shown up to try to overturn the work that was done in the previous session so we very much oppose that.

And this is their latch ditch effort to restore that heyday they once had. I don't know if they are going to appear here, I'd be surprised if they did but I would recommend to the Committee that you ask those operators what did they do when they received the Cease and Desist letters from the Connecticut Attorney General. They did not suspend their operations, they continued to operate illegally here in the State. When Public Act 119-117 became effective las October 1, you would ask did they suspend their operations at that point and the answer you would get, if they were to show, would be no. And certainly the question would be do they continue to accept Connecticut wagers which they do, so at the end of the day, they are conducting illegal wagering in the State. This Bill if put forward 5395, is attempting to restore that. So, I wou8ld ask this Committee to neither advance or countenance any further advancement of that effort or any others and that it is directly contrary to Connecticut policy in the efforts of numerous agencies in this Committee included to pass that language closing those loopholes, so happy to answer questions on this or any other items we prepared for you.

REP. VERRENGIA (20TH): Are there any other questions? Okay, seeing none, thank you. Next up is Jonathan Trister.

JOHN TRISTER: Mr. Chairman, Members of the Committee my name is John Trister and I am a resident of Newington. I am here in favor of Raised Bill Number 5168 on the issue of legalized sports

betting. Thank you for letting me have some time.  
I will be very brief.

I am representing myself as an interested citizen in seeing this law passed. Just a few remarks. According to the American Gaming Association and estimated 38 million Americans plan to place bets on NFL games at some point in the 2019 season. Many of those people placed bets in states that it is legal but as the vast majority of states it remains illegal, many of those bettors did not. Bettors who wish to place bets in states that are illegal are forced to turn to an illegal markets in order to place bets. They utilize illicit bookies sometimes connected to organized crime or they circumvent the system entirely betting on off-shore or online sports books where there is a very, very high risk of fraud. With so many people betting and more and more states legalizing since the Supreme Court's ruling in *Murphy v NCAA Connecticut* should continue this trend and provide a valuable consumer protection to the bettors in this State by enacting this law. Legalized sports betting takes money out of the pockets of bad actors and provides a valuable new revenue stream for the State.

But more importantly to me, I see legal sports betting as an issue of personal freedom. Adult citizens should be allowed to place bets on a sporting event for entertainment if they wish to. Liberty is one of our most fundamental ideals as Americans and the State should support initiatives that look to uphold this ideal not seek to limit our liberty.

Former Massachusetts Congressman Barney Frank was a champion of personal freedom and was a very, very

strong advocate of legalized gambling. In his words, "The vast majority of human activities should be neither encouraged nor outlawed by the government but rather be left entirely to the choice of free individuals." I urge you to consider this position and vote to pass the Bill and legalize sports betting in Connecticut. That's all I got, thank you for your time.

REP. VERRENGIA (20TH): Thank you for your time. Just a question. I appreciate you sitting there all day and your passion on the issue of sports betting. You know, today most of the conversation was around exclusivity, you know, how that might look like but the other piece of this and didn't much attention is with respect to the consumer. Part of me, I do believe that having one entity running it, setting the odds, the spreads, is not good for the consumer. I believe in the sports betting industry competition is good and I don't know if you have any thoughts about that?

JOHN TRISTER: I agree with any industry competition is good and having an outlet to, having multiple places to participate in that is absolutely better and I totally agree with that.

REP. VERRENGIA (20TH): Good. All right. Good enough, thank you. John Schwartz.

JOHN SCHWARTZ: Good Afternoon. Good Afternoon, Senator Bradley, Representative Verrengia and Members of the Committee. Thanks for accepting my testimony regarding H.B. 5167; "AN ACT CONCERNING STUDIES OF THE EFFECT OF LEGALIZED GAMBLING".

My name is John Schwartz. I am an East Haddam resident, a registered voter and the manager of the

Windham Recovery Community Center for the Connecticut Community for Addiction Recovery in Willimantic, Connecticut.

Although it is incumbent upon the State legislature to find the revenue necessary for funding the essential services delivered by the State government, what may often seem like "easy fixes" to financial binds can have unintentional negative and even life-threatening consequences. With 70,000 Connecticut residents currently meeting the clinical criteria for problem gambling disorder and a projected 285,000 at risk for developing such a disorder, the legislature needs to consider all of the ramifications of the expansion of legalized gambling and the increase of access through means such as iLottery and internet keno. Gambling and games of chance, while certainly producing significant revenue for the State are not without costs to the community and, in my mind are a rather fool hearty means of revenue production which is regressive in nature.

The negative effects of gambling disproportionately affect the most vulnerable of Connecticut residents, low income communities and communities of color. The aggressive marketing of lottery products in low income areas is all of the proof anyone needs to confirm this.

Without further studies of the implications associated with the expansion of legalized gambling in Connecticut to identify the full scope of the costs of implementing it, said expansion can only be characterized as an ill-advised act of desperation.

I implore the members of this Committee to authorize comprehensive studies into all of the ramifications associated with any expansion of legalized gambling before putting unwitting Connecticut residents at risk. Respectfully submitted, John Schwartz.

This is an aside, my walk over here from 75 Charter Oak where my corporate offices are, my organizational offices are, I spent on the phone trying to mediate, broker a deal between the Windham Housing Authority and a gentleman who is about to lose his home because he is a problem gambler. The guy is spending all his money on scratch-off tickets and he is about to lose his place to live which means he, his wife and two children will be staying at the Women and Children's Shelter if a deal can't be brokered. The effects of problem gambling on the residents of Connecticut particularly in the disadvantaged communities like Willimantic where I live or where I work daily, I pretty much live there cannot be taken lightly. These are very serious things and I know that it is important to raise revenue. We all benefit, certainly my organization benefits from funding through DMHAS and we are grateful for every penny that we get but I think that the cost when they are shifted off to the communities and to non-profits and like communities of faith and the kindness of strangers, whatnot, we need to be very careful about how we go forward in this way. Thank you for your time.

REP. VERRENGIA (20TH): Thank you for your testimony. Any questions? Representative Vail.

REP. VAIL (52ND): Thank you, Mr. Chairman. Good evening. Just curious in your area in Willimantic

what form of gambling do you think has the biggest impact on problem gamblers in your area.

JOHN SCHWARTZ: Oh, instant products, scratch-off tickets, Lotto definitely.

REP. VAIL (52ND): Okay, thank you.

JOHN SCHWARTZ: Just quickly, I was at a meeting recently where they asked us to bring in photos of convenience stores in our area, right and in the more affluent areas maybe one little sign next to the door that says we sell lotto. Come to Willimantic you can't see through the window.

REP. VERRENGIA (20TH): Any more questions? Seeing none. Is anyone else here? No. All right, meeting is adjourned. Thank you.