



**Testimony Before the Public Safety and Security Committee
Connecticut General Assembly**

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Chairman Bradley, Chairwoman Horn, Members of the Committee, thank you for allowing me to present this written testimony regarding SB 146. My name is Andrew Winchell and I am Director of Government Affairs for FanDuel Group, Inc.

FanDuel was founded as a fantasy sports company in 2009 and we have since grown to serve over 10 million customers across fantasy sports, sports wagering, iGaming and advance deposit wagering. FanDuel has been a leading operator of daily fantasy sports for over a decade, and currently offers paid entry fantasy sports contests in 43 states. Following the Supreme Court's decision to strike down the Professional and Amateur Sports Protection Act (PASPA) in May of 2018, FanDuel merged with Betfair US, which has been offering online casino wagering in New Jersey since 2013. FanDuel has now become the leading sports wagering operator, and the largest online real-money gaming operator, in the United States. FanDuel currently operates fifteen brick and mortar sportsbooks in nine states and online sports wagering in ten states.

In opening a lawful market for sports betting, 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.

Importantly, we have seen first-hand that healthy competition in the marketplace is the strongest driver of innovation, with operators striving to offer consumers more choice, variety and better pricing across their products to keep users engaged. We believe that our products offer a great user experience, but we also recognize that multiple operators offering an array of products grows the overall customer population. If the goal is to eliminate the unlawful market and capture as much of that activity on legal, regulated platforms, then we believe a dynamic, regulated market that permits real competition amongst experienced operators is the best choice for Connecticut.

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 over \$958 million in wagers in the month of January 2021 alone, with over 92% 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 means 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 (8.9 million to 1.057 million), it generated over 24 times the amount wagered on sports in January 2021 (\$958.7 million to \$39.8 million).

To this end, the number of licenses contemplated in the bill – two – risks precluding Connecticut's sports betting market from reaching its full potential, as it will prevent proven, legitimate operators from entering the market. In addition, by restricting the number of licenses in this way, Connecticut would likely not generate the tax revenue that comes with a healthy, competitive sports betting marketplace, as in New Jersey. Our suggestion would be to follow the lead of New Jersey and allow legacy gaming operators 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 on SB 146.