

## Barberino Testimony

Good Morning Senator Luchini and Representative Caiazzo and members of the VLA Committee, my name is Don Barberino and I operate the Waterville and Sanford OTBs and I am speaking in favor of LD 1405.

LD 1405 is a tethered sports wagering bill that supports Maine business. Tethering means that mobile operators must be affiliated with a brick and mortar gaming enterprise - This is a common practice throughout the country. At this time every state with established gaming requires mobile to be tethered to their casinos, racetracks and OTBs. Sophisticated gaming states such as West Virginia, Pennsylvania and New Jersey tether mobile to bricks and mortar.

An untethered bill will allow an unlimited number of mobile operators into the state who would simply flip a switch and be in business. No investment. No employees.

They would have an incredible competitive advantage over brick and mortar. They would dominate the marketplace. We could not compete and it might not even be financially feasible for us to even try.

Mobile wagering accounts for 85% for all sports wagering business. An untethered bill, means brick and mortar will be shut out of this revenue stream, revenue needed to offset the expenses of operating a land based retail business.

The bricks and mortar companies invest in Maine. Employ Maine residents, pay taxes, utilize local vendors and are members of our communities.

Ironically, these companies. Draft Kings, Fan Duel and others would be happy with a tethered bill. If they get an untethered bill, they will have hit a home run, at the expense of Maine.

Support a tethered sports wagering bill. Let's not be taken advantage of by multi-billion dollar out of state corporations who have no interest in Maine other than how much money they can take out of it.

Please support LD 1405 a tethered sports wagering bill that puts Maine first.

## **Tethered vs Untethered**

The key issue concerning the sports wagering bill is tethered vs. Untethered. One supports investment in Maine the other favors billion dollar out of state corporations.

### **Tethered**

Corporations that offer mobile wagering would be required to affiliate with a licensed bricks and mortar gaming enterprise in Maine. These entities are the casinos, federally recognized Tribes, commercial tracks and off-track betting facilities.

These brick and mortar companies:

- Have substantial investments in Maine.
- Employ Maine residents
- Pay Taxes – property, sales, employee as well as pay utilities and rent
- Utilize local merchants for goods and services.

Bricks and Mortar need mobile in order to offset the expenses of operating a retail facility.

Every state with legacy gaming requires that mobile operators affiliate with bricks and mortar.

### **Untethered**

An unlimited number of out of state billion- dollar corporations would flip a switch and be in business.

Mobile wagering accounts for 85% of the sports wagering business. They would dominate the market and have an incredibly unfair competitive advantage.

Bricks and mortar enterprises would be shut out of the mobile market because Draft King and Fan Duel, etc. will not have to provide mobile services to them.

Ironically, Draft Kings, Fan Duel, etc, would be happy with a Tethered bill. They view it as a source market fee and they are not openly advocating for an untethered bill.

## **Why Support a Sports Wagering Bill that puts Billion Dollar Corporations FIRST and Maine LAST?**

LD 1352 and LD1527 puts the interest of Out of State multi-billion dollar, publicly traded corporations ahead of Maine Citizens –

LD1352 and LD1527 are sports wagering bill that give these corporations an incredible competitive advantage by offering mobile wagering without having to partner with a Maine based brick and mortar enterprise. This would be an untethered bill.

Every state with a legacy gaming industry requires that mobile wagering be associated with a brick and mortar licensed gaming operator in their state.

Mobile wagering accounts for approximately 85% of all sports wagering activity, and so without a tethered sports wagering bill, the brick and mortar operators won't be able to compete and survive.

In a technologically savvy world in which people live on their phones, the brick and mortar operators don't stand a chance against the behemoths of the sports wagering industry such as Draft Kings and Fan Duel.

The brick and mortar companies are the commercial tracks, casinos, federally recognized tribes and the off-track betting facilities.

These entities spend millions of dollars in capital investment, hire hundreds of Maine residents, pay sales, property, payroll and other taxes and are members of their community.

Draft Kings and Fan Duel and others will have no investment in Maine. They will simply flip a switch and be in business.

Ironically, these companies are not even advocating for an untethered bill because they know that states with an established gaming industry support business that have substantial investments in their state. Sports Wagering Corporations view partnering with a brick and mortar as a source market fee and the cost of doing business. So why pass legislation that they are not advocating for and would hurt Maine?

It is not in the best interest of Maine to support an untethered bill. Support LD 1405, a tethered sports wagering bill.

