

Testimony of
Michael Cianchette of Cumberland
First Tracks Investments, LLC
in support of
LD 1405

Senator Luchini, Representative Caiazzo, and members of the Veterans and Legal Affairs Committee, my name is Michael Cianchette, I reside in Cumberland, and submit this written testimony today in support of LD 1405.

I wished to testify in person today, but I will be in a duty status with the Navy Reserve and thus unable to attend. However, should any member of the committee wish to discuss this testimony, I am happy to make myself available for the work session or otherwise.

While I worked closely with many members of the committee during the 126th Legislature on behalf of the prior administration as we looked to reform Maine's liquor distribution operations and pay past-due debts to our hospitals, I am writing today in my role as Manager of First Tracks Investments, LLC ("First Tracks"). First Tracks is a new commercial harness racing track licensee, operating from the Cumberland Fairgrounds for the moment while working to bring a new, modern harness racing facility online in Southern Maine.

With respect to LD 1405 and the other bills pending before you, we would express our support. As general approach of each bill – in terms of regulation, oversight, and the like – is generally the same, I will comment briefly on the differences.

First, with respect to the revenue distribution, we will always run out of dollars before we run out of need. We do not express an opinion on whether the bulk of the funds should be earmarked for education, given to the general fund, or slotted to support some other state project. However, LD 1405's decision to dedicate a small portion of the revenues to the agricultural fairs and harness racing participants makes an important statement in support of the future of harness racing.

As the committee knows well, gaming expansion in Maine has historically been connected with harness racing as the original state-sanction wagering activity. LD 1405 maintains this tradition with good reason. By broadening the market for wagering entertainment, more competition will arise; should someone seeking to make a bet place it on the Patriots or a harness race? Because it will be up to the providers – OTBs, tracks, casinos, and online platforms – to attract that business, dedicating a small portion of the revenue to harness racing and agricultural fairs gives Maine's horsemen and horsewomen, trainers, drivers, grooms, hay farmers, veterinarians and others a way for pursues to be "held harmless" in a time of change beyond their control.

Second, the "tethered" versus "untethered" question posits two important principles against each other. "Tethering" helps encourage direct investment in Maine, ensuring businesses make jobs available to Mainers, pay property taxes, and invest in local communities. "Untethering" leads to greater competition in the market, providing consumers more choice and allowing innovation to take hold more quickly.

There is not an easy answer to this question. First Tracks would suggest the committee support the "tethered" approach of LD 1405 at this time as a first step. With four Off-Track Betting operators in Maine, First Tracks' commercial track license, two casinos, and four federally-recognized Indian tribes,

agreements can be reached with 11 online-based providers. In the event the committee finds in the future that competition is lacking, additional license types can be added.

First Tracks' efforts to rejuvenate Maine's harness racing industry are beginning to bear fruit. Our team has reached agreements with several international locations to simulcast races from Cumberland.

Opening day is May 8. This is an exciting time as we work to bring a new entertainment facility to market in southern Maine, bolster our state's harness racing heritage, and do so in a way that expands wagering entertainment in a fun, responsible, manner. Passing LD 1405 is a great first step.

Thank you for your time, your service to our state, and your consideration. I will be happy to answer any questions that the committee may have.