

Dear VLA Committee Members, I share this information for your consideration regarding LD 1405, An Act to Regulate, Tax and Control Sports Wagering

- 1) A statement was made that “untethered” has never been shown to be negative in any State. This is only true, because NO State with an existing gaming industry, has an untethered relationship. There is no evidence because it does not exist anywhere.
- 2) There is no relationship to odds and our contract with the online companies. Odds are determined by trying to get half the wagers on one team and half the wagers on the other team. Same with payoffs. NOTHING ABOUT OUR RELATIONSHIP IS PASSED ON TO THE CONSUMER
- 3) All of the online companies are in the State now trying to negotiate relationships contingent on the tethered bill passing. This is what they expect. If a company does not get a relationship or does not want a relationship with one of the existing sites, it would be encouraged to open a new OTB in order to get their online license. A new OTB would generate more income for all parties, bring more dollars to the State of Maine and boost the local economy. That is good policy and we are not restricting competition. If you want to regulate a business it is a good idea to have something physical to regulate.
- 4) There was discussion about limiting competition, but I don’t think that the #3 suggests that competition is limited at all, while encouraging investment in the State.
- 5) While we do partner with the online companies in online wagers, they also partner with us in retail and offer critical services that will make us professional from the start. It is not a one way street but a very good two way relationship. Why is it critical.... The retail share is 15% and there are about 10 of us. That leaves 1.5% of the market for each of us on average. That is not a business.
- 6) We cannot compete with the online companies to develop our own online site. This option does not create an even playing field. These billion dollar companies will outperform us and eliminate us from the market place before we can develop customers to use our site. In simple language, would you see a customer picking DraftKings, FanDuel, MGM or Jim Day’s online site.

I see that LD 1405 is checking all of the boxes:

- ✓ Legalize what is an illegal activity now, and collect taxes for the State.
- ✓ Protect the consumer from lost money by legalizing and regulating the industry
- ✓ Allow for competition within the State to better enhance the consumer’s options
- ✓ Protect the in State businesses that have invested in Maine and hire Maine people
- ✓ Restrict advertising to minors