

Testimony of Danielle Boyd, Head of Government Relations, William Hill U.S.

State of New York Senate Racing, Gaming, and Wagering Committee May 8, 2019

Chairman Addabbo and Honorable Members of the Committee:

Good morning. My name is Danielle Boyd and I am the Head of Government Relations for William Hill's U.S. business. Prior to joining the company, I was a gaming regulator in West Virginia for about 8 years, and served as the Managing General Counsel for the West Virginia Lottery when sports betting was implemented there last year.

We appreciate this opportunity to testify today, and commend New York for taking steps to regulate sports betting, which would enable New York to keep pace with other states and compete with the thriving black market — which won't easily go away.

To offer more background on our company, William Hill is one of the leading sports betting operators in the world. The company is headquartered in

London and holds gaming licenses in the United Kingdom, Gibraltar, Italy, Malta, Spain, and the United States. We've been in business for about 85 years.

William Hill's U.S. business is headquartered in Las Vegas and we have offices in New Jersey. We employ about 700 people in the U.S.

We are the leading operator in both Nevada and the broader U.S., active in all seven state-regulated markets. William Hill is the exclusive risk manager for the Delaware Sports Lottery and the Rhode Island Lottery, and we have a presence in New Jersey, West Virginia, Mississippi, and Pennsylvania too. In addition to retail sports books, William Hill operates mobile sports betting platforms in both Nevada and New Jersey.

As you think about the implementation of sports betting, we ask you to consider a few important matters, including the number of licensees authorized to participate, and removing the mandate for payment of certain fees, allowing the free market to dictate how sports book operators access and utilize sports data.

First and foremost, we ask that you consider amending Senate Bill 17A to increase the number of licensees eligible to participate in sports betting in New

York. In a state the size of New York, the market should be open to more participants, and, at a minimum, include the racetracks.

Much like New Jersey, people have been gambling for generations at the racetrack locations in New York, and the sites already serve as major employers.

In addition to including the racetracks as licensees, additional operators could participate through the authorization of online sublicenses or "skins".

In New Jersey, for example, each of the casinos and racetracks have additional skins that they can sublicense to online operators that do not have a land-based presence in the state. This policy allows additional entrants to the market.

Another matter we wish to address includes the payment of any additional taxes and fees such as royalties or other fees associated with mandating the use of "official league data" that make it difficult for legal bookmakers to price their products in line with black-market operators. Ultimately, it is these illegal operators that will be the true competition when legal sports betting comes to New York.

Any taxes or fees on sports betting, no matter what they are called, should be payable to the State of New York — to benefit all the citizens of New York, not a privileged few.

Bills, including Senate Bill 17A, have recently been introduced in New York and other states that include a so-called "integrity fee" or, most recently, a "royalty fee" payable to professional sports leagues. Make no mistake — this is nothing more than a euphemism for taking a cut of the action.

So far, all states with legal sports betting have rejected paying any "integrity fee" or "royalty fee" to professional leagues and no such fee exists in any state law.

Sports leagues have much to gain from legalized sports betting, including sponsorship opportunities—such as the sponsorship agreement we have with the National Hockey League and two of its teams, the Las Vegas Golden Knights and New Jersey Devils— and increased fan engagement that vastly enhances the value of franchises and broadcasting rights.

A final related policy concern involves the inclusion of a requirement to purchase what sports leagues have deemed "official league data". Mandating the use of "official league data" just results in monopoly pricing power for the professional sports leagues. Federal courts have rejected the assertion that professional sports leagues have any intellectual property rights to data, further ruling that it is public information. This is simply an attempt by professional sports leagues to legislate what courts have rejected for decades.

We thank you for the opportunity to testify here today and support the legislative effort to legalize sports betting in the state of New York.