

TESTIMONY BEFORE THE ASSEMBLY JUDICIARY COMMITTEE  
AB 414 --- Tuesday, April 7, 2015

Chairman Hansen, Members of the Committee, thank you for the opportunity to testify on this legislation.

For the record, my name is Robert Uithoven, representing Las Vegas Sands – proudly serving as one of Nevada’s leading taxpayers and job-providers.

Thanks to our customers, our shareholders, and most importantly, our valued employees, Las Vegas Sands remains the largest gaming company in the world by market cap.

Despite the tremendous success and growth of Las Vegas Sands, we are proud to call Nevada home. And, we are proud that Nevada strives to continue serving as the “gold standard” when it comes to the gaming industry.

We support this legislation, AB 414, which seeks to clarify the intent of AB 114 from the 2013 legislative session.

As some of you will recall, Mr. Chairman and those of you who were here last session, this legislation was rushed through as an emergency measure ~~last session~~ in a race to see which state could be first to legalize online poker so that we could enter into compacts with other states.

In the four, maybe five hours that this bill faced scrutiny before it was signed into law, over and over again it was sold as an Internet Poker bill.

Numerous references through testimony, press articles, gaming publications and other materials speak to the emphasis of AB 114 in providing poker only. Mr. Chairman, I’d be happy to provide you and the committee with a collection of these materials if you would like to review them.

While Las Vegas Sands opposed Internet gaming – in all forms, then, as it does now – we stood down last session as we could see the writing on the wall from the Governor and legislative leaders that this was going to happen with ... or without our support.

Since that February day in 2013, when all of this was done in just a matter of hours, we have and continue to raise questions.

We have met with some of you on this committee, with the Governor and with our bipartisan congressional delegation to express our concerns.

What happened to the promised jobs?

What happened with those revenue projections?

Was it really a “poker only” bill?

Mr. Chairman, we aren't here to Monday-morning quarterback, but rather to discuss what has occurred.

The jobs and revenue barely exists. Why? As one of our fellow non-restricted licensees has publicly stated, online poker alone is not sustainable.

Unfortunately, another one of our major licensees in Nevada found out the hard way and ended up shutting their online poker operation down.

Many others in our industry believed that the future of Nevada's gaming industry was to put casino games on our phones, computers and iPads.

Where are they today?

The truth is ... the only major push for legalized, online gaming in this country is being financed by PokerStars and Caesar's. One, the indicted. The other, the bankrupt.

Just a couple weeks ago, Delaware signed an Internet poker compact with Nevada. After all the excitement of 2013, Delaware became just the second state in the country to sign a compact with Nevada – the other being New Jersey.

And let's look at New Jersey.

Currently, the shamed, ridiculed and indicted Poker Stars is seeking a gaming license in New Jersey.

Remember Poker Stars? The company that represents the polar opposite of what we in Nevada would consider a "gold standard" licensee? A company that not too long ago distributed illegal campaign contributions to just about every lawmaker in this building to try to buy favor, and a Nevada gaming license?

***Real jobs, real paychecks, real investment and real tax revenue remains in well-led, well-run, well-managed and well-regulated brick and mortar properties. Not on a web page.***

Mr. Chairman, here are a few questions we believe this committee should consider as we contemplate the future of our state's largest industry:

- 1) Have the advocates of legalized Internet gaming ever disclosed to this committee what risks their own gaming websites would have in cannibalizing their brick and mortar casinos?
- 2) According to a 2013 study by the LVCVA, 85 percent of those who come to Las Vegas are repeat visitors, with nearly one out of every five indicating the primary purpose of their visit was to gamble. If these individuals can

just as easily gamble at home on their computers and iPhones, why would they come back to Las Vegas and contribute to our economy, job-creation and collection of tax revenue.

- and their patrons*
- 3) According to an Oxford Economics Survey, Nevada casinos contributed \$53 billion to the state economy in 2013. If people can stay home and bet on their computers instead of coming to our casinos, what will that do to our state's economy?
  - 4) According to this survey commissioned by the American Gaming Association, Nearly two-thirds of casino visitors spend money at local small businesses and other nearby Attractions. If fewer people come to Las Vegas because they can bet on their home computers or cell phones, what impact will that have on the small businesses in Nevada who depend on spending by casino visitors?
  - 5) Among the companies who provide the technology for Internet gambling, how many are headquartered outside of Nevada? In fact, how many of them are headquartered outside of the United States? I'll give you the answer to that one ... ALL OF THEM!
  - 6) With Nevada's economy still recovering from the Great Recession, why do we want Internet gaming – which will replace our workers, our employees, our taxpayers, your constituents ... with computers, ~~and export~~

As I previously stated, Las Vegas Sands' position continues to be in opposition to any form of online gaming. Poker included.

Last session, we did not stand aside so that full, online gaming would become legal and we could spread it across the land.

But, that is exactly what AB 114 ~~provides~~ *allowed*,

This session's AB 414 will clarify that if you want to enter into online gaming compacts with Nevada, it must be poker only. And if poker only cannot survive online, as it was sold to all of us just two years ago, let it die.

We respectfully urge your support for AB 414 to fulfill the ~~verbal~~ promises made two years ago.

Thank you, Mr. Chairman. I'd be happy to answer any questions.