



LAS VEGAS SANDS CORP.

**Testimony of Mark Juliano, President Sands Bethlehem,
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For the Pennsylvania State Senate Community, Economic and Recreational
Development Committee**

Chairwoman Ward, Senator Wiley and members of the Senator Community, Economic and Recreational Development Committee, I would like to thank you for allowing me the opportunity to testify today.

Before I comment on a number of new gaming proposals that may come before this Committee, it is important to note that Pennsylvania got it right with gambling. The 2014 Pennsylvania Legislative Budget and Finance Committee's report found that *"Pennsylvania casinos have made \$3.1 billion in initial capital investments and annually produce about \$2.9 billion in total output. PA casinos directly employ about 16,650 people. Casino operations and induced spending from casino employees support about 25,500 jobs and produce about \$3.0 billion annually in total economic output. Ongoing renovations and upkeep generate an additional \$81 million annually in total output, supporting another 600 jobs."*

All of this was accomplished during one of the deepest recessions in our country's history and without a single state grant or tax incentive. Those results are impressive.

At the Sands Bethlehem, we've invested almost \$900 million to build and develop the largest casino resort in the Commonwealth—this includes an adjoining mall, hotel and events center. Thousands of skilled craftsmen were put to work building the casino and we now employ more than 2,600 Sands team members working on what was once a vacant brownfield. Additionally, the Sands Casino Resort has been catalyst for \$100 million of new investment on the adjoining site. Our investment has had profound effect on Bethlehem and the entire Lehigh Valley.

These great results show that the policy decisions made by the Pennsylvania General Assembly over the last eleven years to approve casino gambling, spread the casinos licenses throughout the Commonwealth instead of concentrating them in one town or region, have an independent licensing process and to approve table games were a big success. Pennsylvania is now a leader that other states and countries look to as a model.

Today, proposals are being considered which will erode the successful progress we have made in Pennsylvania. Some of these changes are offered as a means to help the Commonwealth compete with other states in our region but it is our belief that these changes will only harm the Commonwealth's gaming industry. Proposals such as legalized internet gambling, Video Gaming Terminals (VGT) in taverns and slot parlors at Off Track Betting (OTB) facilities will not assist industry operators in competing against competition in other states; they will actually

dilute a competitive marketplace and damage the operators who have invested so much time and capital in the Commonwealth.

Most Pennsylvania casinos were designed to be more than slot parlors or card rooms. Owners of Pennsylvania casinos built destination gambling facilities, with hotels, top notch restaurants, shopping and performance venues. Pennsylvania engaged in one of the most competitive bidding processes in American history; Leaders and Legislators asked applicants to build destination venues that would add more than just gambling to the Commonwealth and that's what we did.

Approving proposals such as internet gambling, slot machines at OTB's and VGT's undermine the intention of Pennsylvania's gaming act. The goal was to see benefits from the expansion of gambling; approving these proposals will undermine the operators who have built destinations and will place thousands of jobs at risk and potentially end investment in existing facilities.

Las Vegas Sands testified last year before this committee in full opposition to internet gambling and this position has not changed. Internet gambling is a job killer that seeks to move jobs from casinos in Pennsylvania to server farms in foreign countries. No matter what advocates say, once a minor gets a hold of their parent's credit card, debit card or player id number, there is nothing to stop that child from engaging in online gambling activities. Finally, for those that say regulations are needed to put the illegal operators out of the business, there is no police authority in Pennsylvania that can shut down out-of-state or offshore websites targeting Pennsylvanians. We urge this Committee to oppose any attempts to approve online gambling.

The Sands also opposes proposals to allow VGT's at taverns in Pennsylvania and expanding slot machines into OTB's. VGT's have proven to have severely weakened Illinois' casinos and will also significantly hurt the Pennsylvania Lottery. Slots at OTB's will also erode play at destination casinos by providing new and easy ways for slot machine players to gamble.

Pennsylvania's casino industry is strong and successful, but approving internet gambling, slots at OTB's and VGT will only hurt the businesses that many in Harrisburg say they want to help. On behalf of the Sands I urge you to oppose all three proposals and help the industry and Pennsylvania workers by providing public policy that rewards our investment and provides incentives for greater investment.