



AGA President and CEO Bill Miller
State of the Industry
Remarks, As Prepared for Delivery
Global Gaming Expo (G2E) 2020
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Introduction

Welcome to G2E 2020, where global gaming leaders will gather virtually over the next two days.

While we're not together in person, we're featuring the same high-caliber content, great insights, and business opportunities you can't get anywhere else.

Thanks to all of you, our attendees and exhibitors – especially our friends at the Association for Gaming Equipment Manufacturers. And thanks to our partners at Reed Exhibitions and our annual host, Las Vegas Sands, for making G2E 2020 possible.

Unprecedented Disruption of COVID-19

Gaming has never experienced a disruption like COVID-19.

Over two weeks in March, every casino in America was closed by government-mandated shutdowns, impacting each of the 1.8 million jobs we support.

Gaming workers, their families, and the small businesses that depend on us have all been hit hard.

And our states and communities are feeling it, too. In addition to COVID's impact on businesses, jobs, and the wellbeing of our families, friends and colleagues, state budgets have been decimated by the pandemic.

During our closure, Detroit lost \$600,000 in gaming tax revenue each day.

The pandemic wiped out \$209 million in gaming tax revenue in Maryland and \$323 million in Pennsylvania.

All told, states lost more than \$2 billion dollars in gaming tax revenue over the first four months of the pandemic alone.

But our industry responds to challenges with great resolve. And today, gaming is working its way back.

More than 90 percent of commercial and tribal casinos are open at reduced capacity per COVID-19 guidelines.

Many Americans are ready to enjoy the entertainment only our industry can provide.

Commercial gaming continues to rebound, and some states are even exceeding pre-pandemic revenue numbers.

Reasons for Optimism

But we know a full recovery will take time, and it will be uneven.

Regional drive-markets are recovering faster than destination gaming hubs like Las Vegas and Atlantic City.

While we're all disappointed that we can't be together this week, I just got back from Las Vegas, and let me tell you, there's no stopping the energy and vibrance that make that city the Entertainment Capital of the World. It was great to see first-hand everyone's efforts to reopen responsibly.

A full recovery depends largely on factors beyond our control: how quickly will a vaccine be developed and distributed; how soon can occupancy restrictions safely be lifted; and when will people feel comfortable getting back on airplanes.

But the things we do control provide reasons for optimism that gaming can and will rebound to the historic highs we were enjoying before the pandemic.

First, Americans have overwhelmingly positive views toward gaming.

AGA's American Attitudes survey fielded just last month shows that more Americans view gaming favorably than ever before.

We have built this support over many decades. As gaming has grown from two states in 1978 to 44 states today, more and more Americans have gotten to know us.

They see the exciting experiences we offer.

They recognize the positive impact we deliver: The jobs we support; the small businesses we sustain; and the tax revenue we contribute.

They respect our commitment to promoting responsible gaming and to operating with integrity.

These are the reasons Americans have embraced gaming and they will fuel gaming's recovery.

Second, gaming continually demonstrates its resilience and adaptability.

We've been through a lot of tough challenges before. And we've always emerged stronger on the other side.

Whether Hurricane Katrina or any of the devastating storms that have followed, gaming operators on the Gulf Coast are the first to feed, shelter, and rebuild their communities.

Just over a month ago, gaming helped lead the response in Louisiana communities devastated by Hurricane Laura.

- Penn National's L'auberge Lake Charles casino created a relief fund for people who lost their homes to the storm.
- Caesar's Horseshoe Casino and Boyd's Delta Downs provided millions of dollars in relief for team members and the broader community.

When the Great Recession devastated Detroit, gaming's tax revenue, jobs, and small business contracts helped pull the city back from the brink. Less than a decade later, a revived Detroit has emerged – powered in part by gaming.

Gaming's continued innovation, coupled with our deep-rooted culture of compliance, have our industry on solid ground as we continue our recovery.

As one of America's most highly regulated industries, we already adhere to strict operating standards. Working closely with regulators and government partners, we enacted some of the nation's most stringent health and safety protocols, allowing us to responsibly re-open and stay open.

We made significant investments in PPE and sanitation, employee testing, and contact tracing.

We reimagined the casino floor to ensure a safe customer and employee experience.

We're screening customers with thermal cameras and have reduced touchpoints with contactless check-ins.

MGM and Las Vegas Sands recently rolled out plans to safely reopen meetings and conventions.

But above and beyond that, in communities across the country, gaming is the first line of defense for our team members and customers.

The WinStar World Casino in Oklahoma teamed up with the Chickasaw Nation Medical Center to set up a mobile testing clinic for WinStar employees, customers, and local residents. Cars lined up for nearly a mile with people waiting to get tested – a great example gaming's commitment to the community.

Wynn Resorts is building an on-site lab to deploy and rapidly process thousands of “gold standard” tests.

The bottom line: Gaming has adapted before, we are adapting today, and these actions are speeding our recovery.

The third reason for optimism is that we are united.

Unity creates strength and it deepens our influence. We saw this at work with the CARES Act in March.

During past natural or man-made disasters, the federal government explicitly excluded gaming from economic relief. When other industries were offered a helping hand, gaming was given the cold shoulder.

Many policymakers and commentators called for the same treatment in the CARES Act.

We made the case that gaming was a pillar of communities all across America. That our workers should be entitled to the same compassion as millions of others. That small businesses depending on gaming should not be allowed to fail.

And for the first time, gaming received federal relief to:

- keep workers on the payroll;
- access critical capital;
- provide stabilization funds to tribal governments; and
- give direct economic support to gaming workers and their families.

We wanted gaming jobs and businesses to be treated the same as other industries – and now that we’ve broken through, we will never accept discriminatory treatment from Washington again.

And in fact, we saw this when the Small Business Administration tried to exclude gaming from the Paycheck Protection Program. We didn’t back down. Rather, we came together with one voice to successfully pressure the SBA to treat gaming businesses the same way every other small business in America was being treated.

These core advantages – our broad support among the American people, our resilience, and our unity – position us to hit the ground running after the November election, regardless of which party wins the White House or controls the Congress.

More importantly, we have a focused agenda that unites our industry.

Priority #1: Building Gaming Champions on Capitol Hill

One of our top priorities is continuing to build gaming champions in Washington to help us achieve our legislative goals.

That work starts with Congressional Gaming Caucus. Our recent success in Washington would not have been possible without the revival of the bipartisan Caucus late last year under the leadership of Representatives Titus and Reschenthaler.

In advance of the election, additional legislative relief is in a partisan stalemate. Rest assured that we are focused not only on ensuring that gaming is included in additional recovery assistance, and that these champions defend and advance our interests.

We're seeking liability protections – so gaming businesses that follow public health guidelines aren't hit with lawsuits.

We will work for tax relief – to save jobs, alleviate COVID-19 expenses, and boost travel.

We will push to help tribal nations that rely on gaming to support their communities.

And we will continue to fight to lower regulatory burdens, like adjusting the slot tax reporting threshold and repealing the sports betting excise and head taxes.

Priority #2: Payments Modernization

The next item on our agenda: advancing payments modernization.

At last year's G2E, I challenged the industry to enable payment choice on the casino floor.

And I'm proud to report that we've made tremendous progress.

Regulators in Nevada and Pennsylvania recently approved new rules to permit digital payments in their casinos – a huge breakthrough. We anticipate movement soon in New Jersey, Indiana, and Iowa.

And tribal casinos like Hard Rock and San Manuel are already successfully using digital payment technologies.

Every day, I'm seeing suppliers announce new, innovative payments products.

Station Casinos launched chip and pin debit solutions through ACS Play On at all their Nevada properties.

Gaming leaders—like Konami, Everi, IGT—have all rolled out new digital payments products.

Several operators will soon deploy digital wallet programs in Indiana, Pennsylvania, and Nevada.

All of these innovations will help limit the spread of COVID-19 – and accelerate gaming’s modernization.

Payment modernization is not only about customer convenience. It also promotes responsible gaming by helping players set budgets, limit playing time, and closely track play. And it helps casinos follow the money, a key component of our anti-money laundering efforts.

Priority #3: Growing the Legal Sports Betting Market

Finally, we will continue to support the expansion of legal sports betting.

Despite COVID-19 headwinds:

- 21 states and the District of Columbia have now joined Nevada to offer legal, regulated sports betting.
- Americans have wagered nearly \$26 billion on sporting events – generating more than \$231 million in tax revenue – since May 2018.

Responsible gaming is core to our sports betting efforts. This is a shared responsibility and our new partners in sports and media have an important role to play.

In the past month, NASCAR and the NHL joined our responsible sports betting campaign. We expect more league partnerships in the months ahead.

Government also has a role to play.

States must create an operating environment that allows regulated sportsbooks to offer a competitive alternative to illegal operators.

That means keeping tax rates low and allowing conveniences like intrastate mobile and online betting that fans prefer.

Wrap-Up

2020 marks the 25th anniversary of the American Gaming Association, and we had big plans to celebrate this milestone. That celebration will have to wait.

But while COVID-19 may have shifted our plans – we never lost our focus.

If anything, the pandemic has elevated AGA's role as the leading advocate for the American gaming industry.

No matter how big the challenge, we have always worked hard to help this industry overcome it. And I'm confident we can do it again.

I've never been prouder to be part of this remarkable industry.

Thank you all for joining us – and enjoy G2E!

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