

October 19, 2021

Tennessee Sports Wagering Advisory Council  
26 Century Boulevard, Suite 200  
Nashville, TN 37214  
SWACRulemaking@gmail.com

*Re: Pending Regulation Changes – Problem Gambling Helplines and  
Mandated Annual Hold*

Dear Sports Wagering Advisory Council,

On behalf of the American Gaming Association (AGA), thank you for the opportunity to comment on the pending sports wagering regulations.

AGA is the national trade association of the casino gaming industry, representing commercial and tribal casinos and their suppliers and vendors. Nationwide, the gaming industry has a \$261 billion economic impact, generating \$41 billion in tax revenue and supporting 1.8 million jobs. The gaming industry is one of the most highly regulated industries, striving to ensure we uphold the highest standards of consumer protection while providing significant contributions to our communities.

We write today to urge the Council to reconsider pending draft regulations on problem gambling helplines listed on marketing materials and the mandated annual hold.

#### Problem Gambling Helplines

Responsible gaming is at the core of the regulated gaming industry. Each year, our industry spends hundreds of millions of dollars on responsible gaming efforts, including self-exclusion programs, education, outreach, training, and more. Among these efforts is support for problem gambling helplines. While the vast majority of consumers play responsibly, for those who struggle with addiction, these helplines are a vital resource. Problem gambling helplines are at the forefront of connecting those in need of immediate help and support with local services.

With the growth of legal, regulated gaming—including sports betting—in recent years, it is even more essential that we provide support to those who might need it. Casino gaming advertising has historically been local, meaning that operators could easily tailor their messaging with the appropriate local helpline number. However, with advertising now reaching multiple jurisdictions at once through print, radio, television, and the internet, operators must list upwards of a dozen different helpline numbers. These long, cumbersome disclaimers result in diminished awareness and consumer confusion, ultimately undermining the ability for a consumer to get help quickly and easily.

This is why AGA recommends regulatory flexibility that allows operators to list national helpline numbers on advertisements that reach a national or multi-state audience. Recently, we released a brief report, *Problem Gambling Helplines: Improving Access and Service for Those in Need* (attached hereto), detailing the need for regulatory flexibility to allow operators to display just one or two national helplines on national advertisements. This flexibility improves the ability for consumers to quickly identify where to turn for help, as national numbers route callers to the appropriate local services and offer modern tools like chat and text.

We urge the Council to adopt regulatory solutions that allow operators to streamline the helplines resources in national or multi-state advertising campaigns, which will improve the ability for consumers to find help when they need it most.

### Mandated Annual Hold

It has become almost axiomatic to state, but payout percentages in sports wagering will be volatile. Betting outcomes are binary and sports betting operators cannot account for every result to maintain a positive hold. For instance, if a Tennessee team were to win a major championship, many operators would likely have a negative hold for a period of time.

Over time, as we have seen in other states around the country, the payout percentage generally converges around 94%, reflecting a 6% hold. That said, a 94% payout percentage is reflective of attractive odds being offered to customers that are comparable to the odds that offshore sportsbooks offer. It is extremely difficult, if not impossible, for sports wagering operators to maintain a certain threshold, particularly within a short period of time.

The main mechanism that sports wagering operators can use to attempt to maintain an artificially elevated hold percentage is to provide expensive pricing (that is, worse odds) to sports bettors, which will depress the legal Tennessee sports wagering market. Illegal sports wagering continues to be widely available in Tennessee and around the country. These illegal operators do not have a hold requirement, nor do they need to offer consumer protections or pay taxes. Allowing legal Tennessee operators to offer competitive odds will induce higher handle (dollars wagered) and attract customers away from the illegal market. An annual 10% hold requirement will lead to operators offering drastically less attractive odds to customers, thereby hindering the size of the market. And, more Tennesseans will continue to use the illegal market, where there are no responsible gambling protections.

Therefore, we recommend that the Council eliminate this requirement in its entirety, and let operators price their products in a way that maximizes handle via competitive odds. In turn, this will maximize revenue to the state through competitive pricing and provide customers in Tennessee the same user experience as is available in other states across the country.

Thank you for your consideration of these comments. If you have any other questions, please do not hesitate to reach out.

Sincerely,

A handwritten signature in blue ink that reads "Christopher Cylke". The signature is fluid and cursive, with a long horizontal stroke at the end.

Christopher Cylke  
Senior Vice President, Government Relations

# Problem Gambling Helplines: Improving Access and Service for Those in Need



Legalized gaming has experienced tremendous growth over the last three decades, expanding from just 13 legal states in 1993 to 44 states and the District of Columbia today. With this growth, the gaming industry has ensured our commitment to responsible gaming grows in tandem by dedicating both financial and human resources to educate and research responsible and problem gambling.

While most customers enjoy gambling as a form of entertainment, resources—like problem gambling helplines—are vital for providing support and counseling to those for whom gambling is no longer fun. Today, multiple helplines operate across the country providing referrals for individuals seeking help for a gambling problem.

Unfortunately, as the industry works to raise awareness about legal, regulated gaming options for consumers, current state-specific regulations have led to confusion and inconsistency in how operators must display problem gambling helpline disclaimers:



## **DIMINISHED AWARENESS**

Requirements compel licensees to display multiple national and state-specific numbers in published and broadcasted national advertisements. A national or multi-state advertisement may have to display more than a dozen different helplines and disclaimer language resulting in tougher to read fonts and diluted messaging.



## **CUSTOMER CONFUSION**

Multiple helpline numbers cause consumer confusion as to the appropriate number to call. For example, should the consumer call the number for the state in which he or she resides or the number in the state where he or she is gambling? The mix of numbers also creates unnecessary barriers to help, like remembering the appropriate numbers to call when in crisis.



## **OUTDATED OFFERING**

The requirement to use a call-in helpline overlooks modern services including websites and text-based resources that many consumers may prefer.

**THE AMERICAN GAMING ASSOCIATION AND ITS MEMBERS SUPPORT UTILIZING NATIONAL PROBLEM GAMBLING HELPLINES IN NATIONAL ADVERTISING CAMPAIGNS TO HELP CONSUMERS IN NEED ACCESS SUPPORT AND RESOURCES QUICKLY AND EFFICIENTLY.**

This will decrease consumer confusion, prevent diminished awareness of available resources, and improve customer experience and accessibility. National helpline numbers connect consumers with appropriate state resources or directly help consumers in situations when state resources are not readily available. Incorporating technology, such as SMS texting and website and mobile platform applications, will also provide additional avenues for the consumer to quickly seek and receive help in the format best for them.

**WE BELIEVE THIS WILL ACHIEVE THE MOST IMPORTANT GOAL: PROVIDING CONSUMERS HELP FROM THE MOST DIRECT AND LOCAL SERVICE PROVIDER WHEN THEY NEED IT MOST.**

## Optimizing Helplines in National Ads

✗ ORIGINAL



✓ OPTIMAL



**FEATURING A NATIONAL HELPLINE NUMBER IMPROVES READABILITY AND HIGHLIGHTS THE RESOURCE.**