



Testimony of Adam Suliman
to House Finance Committee
on House Bill 194

October 9, 2019

Good morning Chairman Oelslager and members of the House Finance Committee. My name is Adam Suliman. I am the Vice President of Sports & Digital Gaming at JACK Entertainment. I have been a part of the JACK team since we started the development of our Ohio gaming facilities in nearly ten years ago and have been a member of our broader family of companies for more than 15 years. We have a deep history here in Ohio and we are proud to contribute to the growth and success of our host communities. Thank you for the opportunity to appear before you today to provide feedback on House Bill 194, the legislation to legalize sports wagering in Ohio.

Support Legalizing Sports Wagering

We strongly support a highly regulated, legal gaming environment that includes legal sports wagering. When gaming is conducted in illegal markets, it capitalizes on enormous consumer demand while offering little to no protections to consumers, and in the case of sports wagering, to athletes or sporting events. The parties involved in the gaming industry share many goals: we are all committed to eliminating the thriving illegal sports wagering market, protecting the integrity of both sports wagering and sporting competitions, and protecting consumers. We are confident these goals can and will be achieved through collaboration driven by mutual interest, cemented with commercial agreements and appropriate regulatory oversight. Operators are already partners with state regulators, law enforcement, responsible gaming interests and others to ensure that the legal gaming market in Ohio is safe, fair and competitive for all. We support the addition of sports wagering into Ohio's well-regulated market and as such have supported the current legislative efforts to legalize sports wagering in Ohio.

Sports Data

Before we discuss a couple specific pieces of House Bill 194, perhaps first it would be beneficial to provide a high level overview of how sports data is obtained and used in the sports wagering industry. Sports data is essentially the raw material used to create some, but not all, sports wagering products that operators ultimately offer to consumers. Sports data could be the number of points a particular player scored, the distance and duration of a drive in a football game, the number of foul balls hit by a batter in an inning, or final score of a hockey game. Like most raw materials, there are typically multiple suppliers in the market. The leagues are certainly important suppliers, but they are not the only suppliers and they are not equipped to supply all the data we need to create competitive sports wagering products. Because there are many sports data suppliers in the marketplace, we end up working with data providers which are a critical middleman of sorts. These

data providers take the raw sports data from suppliers and curate it into sports data that we, as operators, can actually use to create sports wagering markets, manage risk, and ultimately settle wagers. There are several data providers that we'll end up using because each of them meet different needs for our business. We pay the data providers for use of the data they have curated and produced for us. The data providers pay the suppliers, which include the sports leagues among others.

Support Open Sports Data Marketplace

This naturally leads us to a discussion about the “official data” buzzword that has been coming up frequently around the country as various states discuss sports betting legislation. We applaud the appropriate stance the bill sponsors have taken on the so called “official data” topic. There has been talk around the country about legislative mandates to use data from sports leagues exclusively. Fortunately, and appropriately, almost all jurisdictions have rejected the concept of “official data” mandates. State statutes should not establish commercial terms that are routinely left to private business contracts. Instead, we should all be most concerned that sports wagers are settled using factual sports data, no matter the source or the buzz word being used to describe the source of the sports data. While we are open to commercial arrangements that allow operators and sports leagues to work together, a legislative mandate to do so would not lead to a fair and competitive sports data marketplace and would ultimately impact our ability to offer competitively priced sports wagering options for our customers. Sports leagues and sports wagering operators around the country have already begun to enter into commercial agreements for the use of data provided by the leagues and for use of league marks and logos. We feel that an open and competitive sports data marketplace will promote innovation and product development in the sports data supplier industry. Our goal, like most businesses, is to partner with the best suppliers in order to produce compelling products for our customers. We support the efforts of the sponsors and this committee to ensure an open market place for sports data suppliers.

Oppose Outside Control by Sports Governing Bodies of Wagering Options

We do not believe the state should cede regulatory control of sports wagering to the sports leagues. Any proposal that would allow an outside party to petition the regulator to shut down wagering, particularly without the input of the operators, undermines the authority of the regulator to effectively operate a legal sports wagering market. Sports wagering operators and regulators are in the best position to assess whether wagering has been compromised. Operators devote a significant portion of their cost structure to trading and risk management services which include robust autonomous monitoring solutions combined with hundreds of trading professionals and rigorous escalation procedures meant to ensure the highest integrity in our sports betting products. Similarly, regulators around the country have routinely implemented monitoring protocols and partnered with industry wide monitoring services, at the expense of the operators, to ensure integrity of the sports betting marketplace. If the leagues have concerns regarding a specific betting market, there are established methods for alerting the regulator and allowing the parties whose business it is to operate and regulate a sports book to assess the situation and make prudent decisions.

Oppose Transactional Data Sharing Requirements

As has been widely acknowledged, the sports wagering market generates vast amounts of transactional data. Transactional data is, simply put, data that is recorded in our systems when a customer places a sports wager. Any requirement to provide transactional data to sports leagues in “real time” is virtually impossible to meet – particularly under a requirement that the data flow through a middleman for processing and anonymizing. Additionally, transactional wagering data is proprietary information that we use to make strategic and tactical decisions in order to effectively compete in our markets. There is absolutely no reason why a third party commercial entity should be entitled to transactional data from another third party commercial entity and it is unacceptable to us that the leagues are attempting to use this legislation to achieve such an end. To be clear, we fully support a mandate that requires operators to provide transactional data to our regulator. We simply do not feel that it is appropriate for the regulator to be statutorily required to hand over all of that data to third party commercial entities such as the sports leagues.

As gaming operators, we support efforts to legalize sports wagering in Ohio. This is an option that our patrons and your constituents eagerly anticipate being offered in our state.

Thank you for your consideration on this issue. I would be happy to answer any questions you might have.