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# **Sports League Coalition Presentation to Washington State Gambling Commission**

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**Fred Rivera (Seattle Mariners)**

October 10, 2019



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# Sports League Coalition



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# Baseball Occupies A Special Place In Our Culture





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# Baseball Occupies An Important Place In Our National Economy



Major source of employment in every state in which we operate



Our teams at the Major and Minor League level pay millions in state and local taxes



Over the next 25 years, the Mariners are anticipated to provide 3,300 jobs and \$22 million in tax revenue on average each year.



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# Baseball Gives Back To The Community







# MARINERS IN THE COMMUNITY

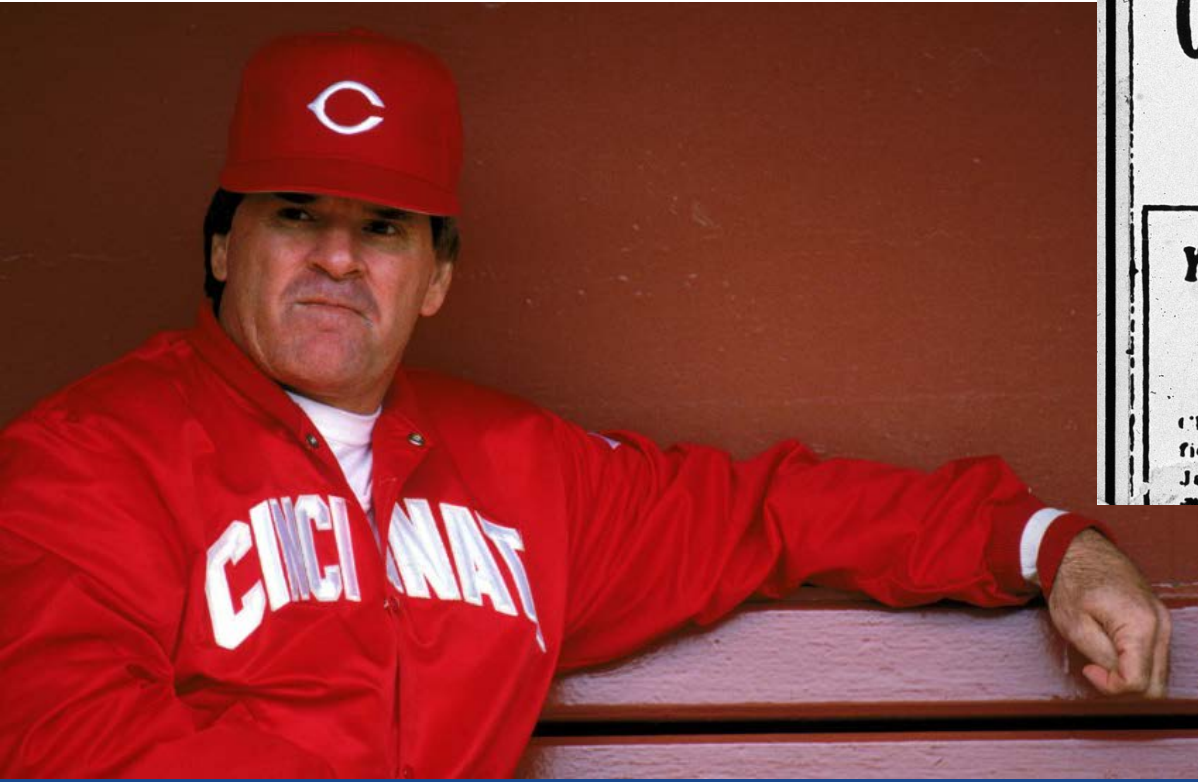


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# Sports Betting Puts All Of This At Risk







# York Times.

WEDNESDAY, SEPTEMBER 29, 1920. TWO CENTS

## EIGHT WHITE SOX PLAYERS ARE INDICTED ON CHARGE OF FIXING 1919 WORLD SERIES; CICOTTE GOT \$10,000 AND JACKSON \$5,000

### *Yankee Owners Give Praise to Comiskey And Offer Him Use of Their Whole Team*

Following the announcement from Chicago yesterday that Owner Charles A. Comiskey had suspended two star pitchers, two regular infielders, his two leading outfielders and one utility player, Colonels Jacob Ruppert and T. L. Huston, owners of the New York Club, put




### COMISKEY SUSPENDS THEM

Promises to Run Them  
Out of Baseball if



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# Legal Sports Betting Is Here To Stay

-  Legal sports betting is now available in thirteen states
-  Bills were in play in 38 states in 2019 alone
-  We expect even more states to consider sports betting in 2020



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# And So Long As It's Done Right, That's Not Necessarily A Bad Thing

-  Will bring transparency to what is currently an illegal market
-  Potential for increased viewership
-  In-play betting will give fans a new way to engage with our games



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# But We Need Help From Legislators & Regulators To Protect The Integrity Of Our National Pastime





-  Leagues should be viewed as partners
-  We are a major stakeholder and should have a voice in the legislative and regulatory process
-  Statutory and regulatory structure must recognize that sports betting is derivative of the games – i.e., without sports there is no sports betting





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# Five Pillars Support the Foundation of a Safe, Robust, & Transparent Sports Betting Market

-  Looked to Mature Betting Markets for precedent
-  Strikes a balance between eliminating the illegal market, generating tax revenue for the state, protecting the integrity of the game, and aligning incentives among all stakeholders
-  Laws in Illinois and Tennessee and bills in New York, Connecticut, Missouri, and Indiana include these pillars
-  We seek implementation of these pillars through legislation and/or agreements with Native American Tribes



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# Pillar #1: Cooperation with League Investigations

- 1 Require operators to share anonymized betting data to monitor for suspicious activity
- 2 Prohibit insiders from betting on baseball
- 3 Require operators to report information suggesting game-fixing or other corruption



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# Pillar #2: The Opt-Out Right

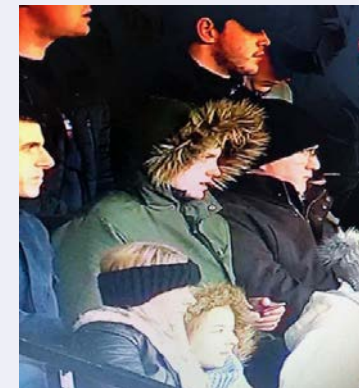
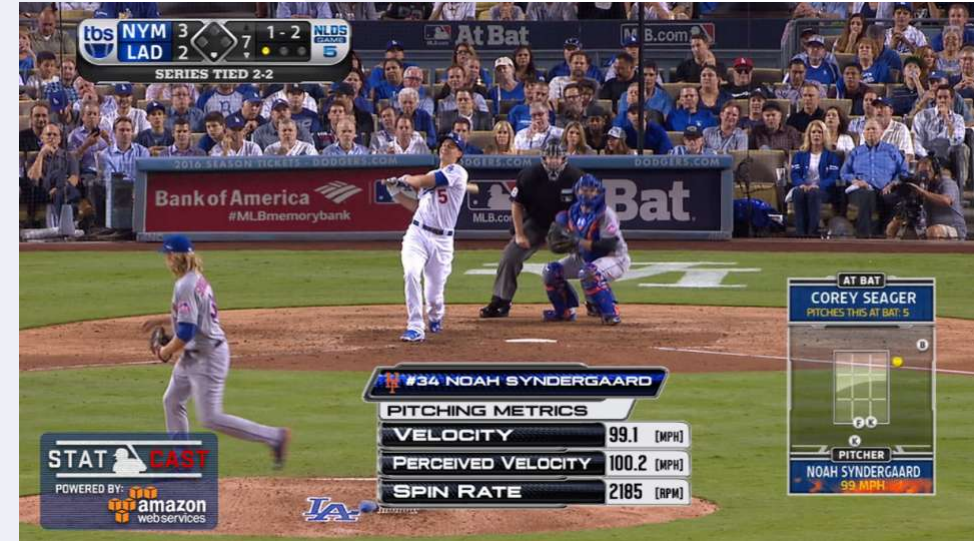


Right to make a deferential request to regulators to prevent wagers on certain events, activities, or leagues



# Pillar #3: Official League Data Requirement

- 1 The only verified, accurate source of data from the field of play
- 2 The only data source that protects consumers, fights piracy, and increases revenue
- 3 Most effective way to limit the illegal market





# Official League Data v. Pirated Data

	OFFICIAL MLB DATA	UNOFFICIAL DATA
<u>Speed</u>	<p><b>Data delivered in &lt; 500ms</b></p> <ul style="list-style-type: none"><li>• 1-2s improvement over “courtsiding” and “online scraping”</li></ul>	<ul style="list-style-type: none"><li>• In-Stadium – <b>2-3s of latency</b></li><li>• Online Scraping – <b>2-3s of latency from caching</b></li></ul>
<u>Richness</u>	<p><b>Radar and Optical Tracking Systems delivering “Moneyball” in Real-Time</b></p> <ul style="list-style-type: none"><li>• New wagering opportunities</li><li>• More accurate odds</li></ul>	<ul style="list-style-type: none"><li>• <b>Limited</b> to data collected via the “human eye”</li><li>• <b>No connection</b> to in-stadium technology</li></ul>
<u>Reliability</u>	<p><b>The OFFICIAL record, fully-redundant, and based in technology</b></p> <ul style="list-style-type: none"><li>• 100% accurate – no inconsistencies</li><li>• Higher levels of “uptime”</li></ul>	<ul style="list-style-type: none"><li>• <b>Inaccurate</b></li><li>• <b>Lack of Redundancy</b></li><li>• Only as good as the <b>human operator</b></li></ul>



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# Pillar #4: The Royalty



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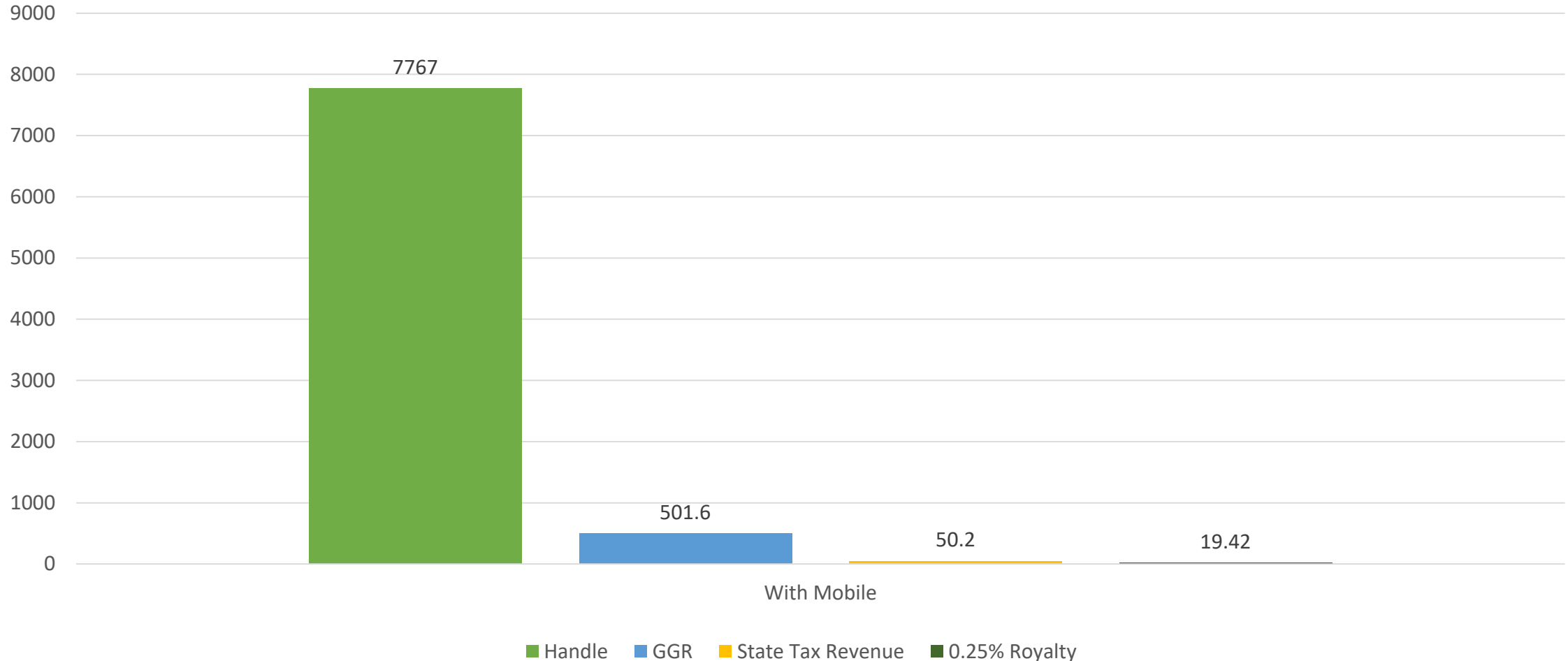
# What Are We Asking For

- 1 0.25% of amount wagered on each leagues' games or events
- 2 Operators pay the royalty – not the state and not the customers
- 3 Amounts to less than 4% of the billions of dollars of revenue that operators will generate from taking bets on games



# Sports Betting Revenue (in millions)




Projected Economic Data for Washington State (from the AGA Report)





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# Why Should We Get A Royalty?

-  There is no sports betting without sports – just .25 cents on every \$100 bet compensates leagues for creating content and protects the sport
-  The royalty pays for itself – 4.7% increase in handle covers the cost – free advertising, and increased gaming and tax revenue
-  Cost to monitor and protect of the game from additional risk of sports betting related corruption and fraud





# Sports-Betting Royalty Fee Study




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Prepared for Major League Baseball and the National Basketball Association



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# Why Is The Royalty Good For States?

-  Incentivizes leagues to “lean in” to states and help promote and/or offer “best in class” products that generate more interest in games and revenue for operators and states
-  MLB will look for other ways to help boost local economy
-  We are truly a partner with the states



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# Pillar #5: Mobile



A competitive mobile market is necessary for a transparent and robust sports betting market and the only way to curb the illegal betting market.



The vast majority of bets placed in mature betting markets happen online or on mobile platforms.





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FOOTBALL







thank  
you

