Testimony Before the Georgia Senate Study Committee on Gaming and Pari-Mutuel Wagering on Horse Racing and Growing Georgia's Equine Industry October 8, 2019

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Mr. Chairman and Members of the Committee,

My name is David Miller, and I am Vice President for the PGA TOUR. Thank you for giving me the opportunity to submit testimony on the potential for sports betting in Georgia.

I believe that sports betting can provide Georgians with another way to enjoy the games they love, while eliminating a large illegal market and creating new revenue for the State. At the same time, betting creates risks for sports and consumers, and it should be considered carefully.

We encourage the committee to address three sports betting topics – integrity, the use of official data, and mobile wagering. When it comes to these topics, our shared policy goals are straightforward: eliminating the illegal betting market, generating revenue for the State and legal businesses, and protecting consumers.

First and foremost, when it comes to sports betting, our priority is protecting the integrity of the games. We have nothing if our fans don't believe our athletes are trying their best, and sports betting puts that at risk. So, we ask that legislation include several integrity-related protections, including that bookmakers notify the leagues of suspicious betting activity, provide betting information to the leagues for integrity purposes and cooperate with league investigations. We also ask that the leagues have some voice in the process of determining what bets are offered, to help avoid bets that are more susceptible to corruption. For example, in golf, a bet that a player will miss a putt.

Second, we believe that legislation should require bookmakers to use Official League Data for live betting, meaning bets placed during a game, e.g., in baseball, the result of the next pitch. In sports betting, data decides the bets – it's the equivalent of the ball in roulette, or cards in blackjack. We believe that, for live betting – where integrity, accuracy and consistency are paramount – the data should come from the official source, the leagues, and not other sources like web scrapers and data pirates.

League data is the most safe, secure data available, and it has the highest standard of integrity. It comes from the source with the strongest interest in the integrity of the sport. It's also best for consumers. It gives consumers trust and confidence that their bets are being settled correctly. With one source of data, you avoid inconsistent results for consumers with the same bet. For example, in golf, we expect to see more bets like how far a player will drive a ball. If someone bets on whether Tiger Woods will drive the ball 300 yards, we don't want the PGA TOUR saying it's 302 yards, and an unofficial source saying 299 yards, leading to different results, which is bad for everyone in the system, and especially the leagues, who would bear the majority of the blame.

The ugly reality is that unofficial data is often collected through piracy. It is collected by "courtsiders" or "scouts," who covertly collect data in stadiums. The term comes from tennis. These courtsiders have resorted to dressing in disguise and using sensors in their pockets to distribute unofficial feeds for betting. Unofficial data is also collected by "web scrapers," who place tracking software on league websites using offshore companies, steal the data that leagues have invested in collecting and distribute that league data around the world to sportsbooks at a fraction of the cost. These data pirates operate in

the shadows, fuel the illegal market and have no real interest in the integrity of sports. These unofficial data sources should have no part in a legal, regulated market.

Finally, legislation must allow online betting or "mobile" betting. Currently, most illegal sports betting occurs online and via mobile apps. In New Jersey, already about 80% of betting is occurring online. If we truly want to shut down the illegal market, the regulated market will need a mobile option to encourage bettors to move from the illegal to the legal market. Without a mobile option, Georgia bettors who currently use their phone to place bets from the comfort of their couch – perhaps not even realizing it is illegal – will continue to do so and will not participate in the regulated legal market. Our goal is to convert these bettors to the legal market.

Many states around the country have drafted their laws to promote these policies. Georgia's neighbor to the north, Tennessee, earlier this year legalized mobile sports betting. At the same time, lawmakers in Tennessee put the integrity and consumer protections discussed above into law, along with important age verification requirements and self-exclusion programs to ensure consumers bet safely and responsibly.

Thank you again for the opportunity to provide testimony. We look forward to working with this Committee, regulators, and sports betting operators to ensure that sports betting in Georgia is safe and a success.