



To: Senate Economic Development, Housing and General Affairs Committee
From: Wendy Mays, Executive Director, Vermont Association of Broadcasters
Re: Legalization and Regulation of Sports Wagering
Date: April 28, 2022

Dear Mr. Chair and honorable members of the committee,

Thank you for prioritizing Sports Betting by taking it up this session. Vermont's commercial broadcasters are encouraged that your committee is considering an amendment to H.730 with the goal of implementing Speed-to-Market guidelines that would enable online Sports Wagering in Vermont.

As stated in a letter to this committee in February, all too often, broadcast journalists find themselves reporting on scams and illegal activity with vulnerable Vermonters being the victims. Right now, Vermonters who want to bet on sports are driven to the illegal market, where they are not always guaranteed a winning bet will be paid. Giving consumers a legal alternative will not only protect them, but will generate millions of dollars in revenue for the state of Vermont.

Creating a robust profit share model that does not increase the tax burden on Vermonters is important to the state's fiscal future. If the state is going to benefit from this new found revenue stream, it is only fair to allow Vermont businesses to also have the opportunity to benefit, especially if that new found revenue stream is important to their fiscal future. That is why Vermont's commercial broadcasters urge this committee not to add any limitations on the volume of advertising or promotion in which the potential sports wagering agents can invest.

A free press is an essential role in our democracy. But like it or not, advertising is what generates the income needed for a free press to exist. The unbiased and factual local news, along with weather, sports, entertainment and other content Vermont's commercial television and radio stations provide is free, but it is not free to produce, nor is it in some cases, free to distribute (ie, a radio station pays a fee every time someone streams their station online or with a smart speaker). Although a newsroom operates with complete autonomy by design so that sales has no influence over what news stories air, like it or not, it is the income generated by advertising that pays news department salaries, news gathering equipment, regulatory fees, licensing royalties, building maintenance, insurance, utilities and so forth.

The cost to operate a commercial television or radio station has been steadily increasing for over a decade whereas the ability to generate local advertising revenue has been steadily decreasing. The majority of local television and radio advertising revenue comes from local retail businesses. Every time a local retail business closes, whether it's due to lack of workforce or not being able to compete with Amazon, Vermont's stations lose another advertiser. Looking at all the empty storefronts on most town's Main Streets, you'll see how quickly the problem compounds. Locally owned businesses that *are* doing well and *have* marketing budgets are spending the majority of it on digital advertising, so the money is going to unregulated Big Tech companies like Google, Facebook, YouTube and the hundreds of other online platforms local stations now compete with for ad dollars. The harsh reality is that it is increasingly more difficult for commercial radio and television stations to continue operating. They do not and never will charge a subscription fee, or ask your constituents to give personal information to listen to or watch their free over-the-air broadcast. But if stations are not able to find new streams of revenue, your constituents will slowly notice stations start to disappear as they are

forced to go silent or dark.

Based on activity in other states, the legalization of Sports Wagering in Vermont could be a salvation for commercial stations who were hit hard by the cancellation of advertising throughout the pandemic and have still not fully recovered. Although there is no guarantee potential sports betting agents will choose to invest any portion of their advertising dollars in anything other than unregulated digital advertising, local television or radio marketing professionals, who are your constituents and who work on commission, should be given a fair opportunity to persuade them to do so without limitations or spending caps.

Vermont's commercial broadcasters urge your committee to keep the provision that calls for multiple agents that will compete for business. They also encourage you to add a provision that advertising and promotion decisions remain in the control of the agents. When radio and TV stations work directly with their clients, they are able to conduct a needs analysis and brainstorm creative tie-ins that will get them the best results.

Finally, Vermont's commercial broadcasters also request that your committee recommend earmarking a portion of the Responsible Gaming Special Fund to be invested in television and radio messages placed by the Department of Mental Health. These messages should promote public awareness of and provide education about responsible gambling as well as assistance programs available for problem gambling.

Vermont's broadcasters are dedicated to the communities they serve and take that commitment seriously. The opportunity to generate income from a new stream is what will allow over-the-air commercial broadcasters to continue to provide fair, balanced and factual news reporting that serves the public interest.

Thank you for your consideration.

Respectfully,



Wendy Mays
Executive Director
Vermont Association of Broadcasters

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