



Chairman Bell, Members of the Committee,

Thank you for the opportunity to testify today. My name is Rebecca London, and I am here today to provide testimony for DraftKings in support of HB 1234. DraftKings is a digital sports entertainment and gaming company created to fuel the competitive spirit of sports fans with products that range across daily fantasy, regulated gaming and digital media. Headquartered in Boston and launched in 2012, DraftKings is the only U.S.-based vertically integrated sports betting operator. DraftKings' Sportsbook is live with mobile and/or retail sports betting operations in 14 states.

DraftKings supports a sports wagering framework in North Dakota that protects consumers, generates maximum revenue for the state, and stamps out the pervasive illegal market. That means a robust mobile sports betting market with adequate mobile competition and no unnecessary hurdles for consumers to bet in the regulated market.

It is important to recognize that sports wagering is already taking place in North Dakota, with an estimated 138,000 people betting over \$355 million in illegal wagers each year. Nearly all the sports wagers in North Dakota are placed online through offshore websites in the robust illegal market. Across the country, states are trying to bring this activity into a legal, regulated market.

Mobile sports betting allows customers to place bets conveniently from their mobile phones and other devices. States have implemented sports betting without mobile have seen much lower revenues, growth, and penetration of the existing illegal market.

As you begin to consider implementing gaming in the State of North Dakota, there are a few factors to consider in order to build the strongest, most effective regulatory regime, while encouraging North Dakotans to abandon the illegal market.

First, legal operators are not just competing with other legitimate entities in the United States, they also must remain competitive to pricing from illegal, offshore sportsbooks that do not face the same taxation and regulatory costs. Barriers to market entry, such as high taxes and fees, cut into an operator's profit and reduce their ability to offer competitive pricing, a significant factor for consumers when making the decision on where to spend their money.

Second, not only must the state consider a mobile market, particularly in a rural state like North Dakota, it is crucial to allow for the ability to register and fund an account via a mobile device. Creating artificial barriers for consumers, such as requiring them to



drive hours to register a mobile sports betting account in person, is anachronistic in a time when people file their taxes via mobile applications on their phones.

Finally, it is crucial to allow for multiple operators to serve the market. A marketplace with multiple choices for consumers will lead to a much better consumer experience that forces operators to innovate and to continue to offer new products to North Dakota and to compete with one another. Multiple operators will also increase the overall economic impact that sports wagering has in the state.

While you consider these important policy considerations, I would like to provide two recommendations for amendments to HB 1234. We recommend this committee amends the complete ban on wagers on all college sports. DraftKings and other regulated operators take game and athlete integrity very seriously, including college athletics. The reality is, wagers on college sports are happening in the illegal market and removing college sports as an allowable wager market in your state will prevent consumers from entering the legal market, because they are unlikely to use multiple platforms to place wagers. A complete ban on all college sports wagers would be the most expansive legislative restriction on these types of wagers in the country.

We also recommend allowing consumers to fund their accounts with credit cards. Operators need to be able to offer consumers the same options and convenience available in the illegal market in order to transition them to the legal market where they will benefit from consumer protections and responsible gaming resources not available in the illegal market.

If North Dakota wants to best protect consumers, eliminate the thriving illegal offshore sports betting industry, and provide the state additional revenue streams it can best be achieved through the creation of a competitive, fully mobile sports wagering market.

Thank you for the opportunity to testify today. I am happy to answer any questions.