



Honorable Louis P. DiPalma
Chair, Senate Committee on Finance
State House
Providence, RI 02903

RE: S 2677 – An Act Relating to the UGTR Master Contract and the Twin River – Tiverton Master Contract – Consolidated Marketing Program

Dear Chairman DiPalma,

I am writing on behalf of Bally's Corporation, which owns and manages Bally's Twin River Casino Hotel and Bally's Tiverton Casino Hotel, in support of S 2677.

The current marketing model for the Rhode Island casinos, which has existed since 2010, is outdated. Under the current law, the Lincoln and Tiverton facilities operate under different marketing structures. S 2677 modernizes this model by consolidating the two marketing structures into a single, streamlined program. The legislation removes all the marketing tiers, so Bally's and the Rhode Island Lottery (RILOT) will share all approved marketing expenditures at the first dollar. S 2677 does not make changes to RILOT's ability or process to approve marketing expenditures, meaning RILOT will maintain its existing authorities. These changes will allow Bally's to more effectively use the marketing program to tailor our marketing spend, which in turn, will drive more customers to our Rhode Island properties.

The second provision of this legislation also aims to promote more traffic to our Lincoln and Tiverton properties by updating the promotional points model. Currently, annual promotional points are calculated solely on the previous year's net terminal income (20% of the previous year's net terminal income plus an additional \$750,000). Instead, S 2677 will use a rolling, three-year net terminal income average with the rest of the formula remaining the same. This is important to prevent the annual promotional points calculation from being severely impacted by a single bad year, like the one we are expecting when the smoking ban goes into effect.

S 2677 is a critical piece of legislation that modernizes outdated models and will allow Bally's to remain strong against increased competition in New England and during times of broader economic uncertainty or downturns. Bally's understands and appreciates the opportunity to operate on behalf of the state of Rhode Island. Thus, it is important that we are able maintain our regional competitiveness as a state partner.

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Very Truly Yours,

Elizabeth Suever

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Vice President, Government Relations

Bally's Corporation