

# **BET ON SMOKEFREE GAMING: Good for Health and Business**

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**Global Advisors on Smokefree Policy**  
*Tobacco Control Policy &  
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# Basics: What is secondhand smoke?

- **Different names - all the same:**
  - Secondhand Smoke
  - Passive Smoke
  - Environmental Tobacco Smoke (ETS)
- **A combination of:**
  - Smoke that is exhaled by the smoker, and
  - Smoke that constantly burns at the end of a lit cigarette, cigar, etc.
- **Class A Carcinogen (EPA, Surgeon General)**
  - Asbestos, benzene

# Introduction

- Casinos play an important role in the economy – generate large revenue streams for business and government (taxes)
- Casinos are workplaces, where employees spend most of their day or night, depending on workshift.
- Without employees, the casinos, like other businesses, cannot operate.
- Employers are legally responsible for providing safe workplaces and publicly accessible places for workers and patrons alike.

# Introduction

- Since the year 2000, government and the casino industry are recognizing that casino workers and patrons need 100% smokefree casinos to protect health.
- Conclusive scientific studies show secondhand smoke (SHS) is dangerous and can be lethal (World Health Organization, U.S. Surgeon General, Center for Disease and Control (CDC), National Institute for Occupational safety and Health (NIOSH)).
- Poker rooms are 100% smokefree voluntarily for years, showing success for smokefree gaming.

# Why Smokefree Gaming Venues?

- **Economics**
  - Business needs met: actual revenues not decreased (contrary to industry predictions).
  - Patron needs: 80% of the U.S. adult population are nonsmokers.
  - Government: reduce healthcare costs (Medicare/Medicaid ); good public health policy.
- **Health** - Protect workers and patrons from secondhand smoke, a known Class A carcinogen, per EPA and California EPA.
- **Legal** - worker/Patron Litigation – hazardous workplace conditions, ADA noncompliant.

# Interest in smokefree gaming is attributed to:

States are enacting laws that permit/expand gambling, e.g. Pennsylvania, Maryland, etc.

+

States are enacting 100% smokefree laws for workplaces and public places

+

More smokers trying to quit (70% want to quit), and 80% of adult population does not smoke

+

Scientific evidence on the hazards of secondhand smoke

=

**Interest/need to create 100% smokefree gaming venues**

In 2009, interest in 100% smokefree gaming is a **HOT TOPIC**, catching the eyes of policymakers as well as researchers.....

In May 2009, the National Institute for Occupational Safety and Health (NIOSH) released their study on nonsmoking casino dealers at three Las Vegas casinos. Findings:

- Lung carcinogens from secondhand smoke were found in these casino dealers (absorbed into their bodies by breathing in SHS)
- Air testing found high levels of nicotine, benzene (class A carcinogen), other chemicals on the gaming floors.
- Cannot rely on ventilation to rid air of SHS health hazards.

NIOSH Report KEY Recommendation:

**Eliminate smoking from casinos, near building entrances and air intakes, to protect employees from SHS hazards.**

(NIOSH summary is in handout)

## April 2009 Harvard School of Public Health study concluded:

- Smoking is responsible for 467,000 premature deaths each year in the U.S.
- Smoking is the leading cause of death in men in the U.S., responsible for 1 in 5 male deaths each year, e.g. 248,000 male deaths.
- (Article on Harvard study in handout)

# Third-hand smoke residue is dangerous

- January 2009 study finds that secondhand smoke residue found on upholstery, carpeting, clothing and hair (3<sup>rd</sup> hand smoke), is dangerous.
- Published in the journal *Pediatrics* by Harvard Medical School Assistant Professor of Pediatrics Dr. Jonathan Winickoff (*Beliefs About the Health Effects of "Thirdhand" Smoke and Home Smoking Bans.*)

In January 2009, the *National Council of Legislators from Gaming States* (NCLGS) overwhelmingly voted in favor of their 100% smokefree casinos resolution:

- Encourage state and local policymakers to include gaming venues in 100% smokefree air laws that are enacted, and
- Encourage tribal casinos to make their gaming venues 100% smokefree too.
- (NCLGS resolution and press release are in handout)

## Policymakers acknowledge that secondhand smoke is very dangerous:

- Class A Carcinogen, like asbestos and benzene
- 2007 World Health Organization Policy Recommendations on SHS exposure: need 100% smokefree workplaces/public places
- 2006 United States Surgeon General Report on SHS: more than 50,000 deaths per year in the United States are related to SHS exposure.
- #1 leading cause of death/disease
- High government healthcare costs

- Ventilation does not eliminate secondhand smoke dangers
- Increased risk of heart attacks and respiratory distress, like asthma
- Linked to developing diabetes risk
- Risk to damaging DNA (study of Nevada gaming employees)
- Chronic daily exposure almost as harmful as being “a pack a day” smoker
- Lung carcinogens NNK and NNAL in nonsmokers, exposed for 4+ hours in a casino

# Factors Influencing Policymakers

Policymakers and business want to protect female casino workers and patrons from SHS exposure, especially those who are pregnant:

- Secondhand smoke exposure:
  - Increases risk in fetal mutation
  - Increases risk of miscarriage
  - Is linked to risks associated with breast cancer

# Factors Influencing Policymakers

## **World Health Organization's 2007 policy recommendations and conclusions:**

- Only 100% smoke-free environments adequately protect from dangers of secondhand smoke.
- There is no safe level of exposure to secondhand tobacco smoke.
- Globally, an estimated 200,000 workers die each year due to exposure to smoke at work.

# 2007 study: London casino workers' health after exposure

- 91% of casino workers reported at least one sensory irritation symptom
- 84% had respiratory symptoms
- The greater the exposure to secondhand smoke, the greater the irritation.
- Symptoms were higher in casino workers, than for bar workers previously studied  
(BMC Public Health Journal)

# Factors Influencing Policymakers

## **Ventilation does not clean the air of secondhand smoke:**

- May 2009 NIOSH report cites ASHRAE.
- 2005 ASHRAE statement - international standard-setting body for indoor air quality.
- 2006 USA Surgeon General's Report.
- Ventilation systems expensive to build and maintain.
- No safe air quality levels in smoky casino - air testing study in North America.

# Air testing in multiple cities in USA shows poor air quality in casinos

- Scientific air testing in casinos across the country has quantified the workers' and patrons' observations, about just how dangerous the air quality is in the smoky casinos of Las Vegas, Atlantic City, Illinois and Pennsylvania – levels were unacceptable, as per Air Quality Standards.
- Studies were conducted by NIOSH, Roswell Park Cancer Institute and Repace Associates.

# Factors influencing policymakers

## **Separate smoking and nonsmoking sections don't solve the problem:**

- Air from smoking area migrates to nonsmoking section
- Casino workers in the smoking-permitted area are exposed to higher levels of secondhand smoke
- Enforcement nightmare: patrons confused about where to smoke

## 2009 Amendments to the federal Americans with Disabilities Act

- Helps plaintiffs, e.g. casino workers and patrons
- Took effect January 1, 2009
- Perceived disabilities now applicable.
- Impairment only needs to limit 1 major life activity, e.g. breathing or cardiac, etc.
- Episodic impairments may be a “disability”
  - Asthma and other reactions to SHS exposure could trigger disability status
  - Requires the employer to accommodate the disabled worker/citizen

## SHS Lawsuits resolved in favor of casino dealers:

- February 2008 court decision in favor of Atlantic City casino dealer who contracted lung cancer while working on smoky gaming floor: awarded approx \$150,000 in workers compensation, etc.
- Arbitration ruling in favor of three riverboat casino dealers from Indiana; subsequently, casino settled with other dealers (multi-million dollar settlement)
- Settlement with riverboat casino dealers from Louisiana (multi-million dollar settlement)

# Judicial notice of SHS health effects helps plaintiffs, e.g. casino workers

## Recent court decisions taking “judicial notice” of the risks of secondhand smoke:

- “Judicial Notice” means that findings are conclusive and overwhelmingly accepted and not refuted, so that a judge allows the document into evidence and accept the findings, rather than debating if the findings are a question of fact.
- Courts have “noticed” it’s common knowledge that SHS has serious negative health consequences.
- Courts have “noticed” that in 2006, the U.S. Surgeon General concluded that SHS can amplify the risk of contracting lung cancer, heart disease, and other serious diseases.

Based on these studies, research, judicial decisions, etc., that support 100% smokefree gaming venues, and smokefree workplaces and public places in general....

which jurisdictions require 100% smokefree gaming venues, here in the U.S. and abroad, as well as voluntarily?

## 24 U.S. states mandate 100% smokefree gaming venues:

- Arizona
- California
- Colorado
- Delaware
- District of Columbia
- Florida
- Hawaii
- Idaho
- Illinois
- Maine

- Maryland
- Massachusetts
- Minnesota
- Montana
- Nebraska
- New York
- North Carolina
- Ohio
- Oregon
- Utah
- Vermont
- Washington State
- Wisconsin

- States listed above require 100% smokefree casinos, bingo, racetracks, racinos, video slots, card clubs, etc. (tribal not included), depending on the type of gambling permitted in each state.
- Some laws in effect now, others take effect soon.

(see handout for complete list of jurisdictions)

- 7 North American tribal casinos are 100% smokefree voluntarily: 4 in USA, 3 in Canada.
- 2 U.S. nontribal casinos are voluntarily 100% smokefree:
  - Fernley Nugget, Fernley, NV (opened 11/08)
  - Bill's Casino, Lake Tahoe, NV (Harrah's)
- Most U.S. poker rooms 100% smokefree voluntarily.

## 8 U.S. states with smokefree gaming bills actively in process:

- Indiana
- Louisiana
- Michigan
- Missouri
- New Jersey
- Pennsylvania
- South Dakota
- Texas

# 18 International jurisdictions mandating 100% smokefree gaming venues

- Australia, 3 provinces (includes high roller rooms)
- Canada, 12 provinces
- England
- France
- Hong Kong, mahjong parlors
- Ireland
- Italy
- Mexico City
- Monaco

- Northern Ireland
- Netherlands
- New Zealand
- Puerto Rico
- Davao City, Philippines
- Scotland
- Sweden
- Uruguay
- Wales

European trend for smokefree gaming is partly due to 2004 treaty

- Framework Convention on Tobacco Control (FCTC) = first treaty negotiated with the World Health Organization
- FCTC in response to global tobacco epidemic
- Core demand reduction provision: “Protection from exposure to tobacco smoke”
- Closed for signature on June 29, 2004
- 168 signatories, including the European Community; more jurisdictions by accession
- FCTC parties indicate political commitment

# The economics of smokefree gaming

## Atlantic City:

During the 1 month of smokefree gaming in Atlantic City from 10/15-11/15/08:

- Casino dealers reported higher tokens (tips)
- Casino dealers reported high traffic in casinos
- Revenues for one month were higher than months preceding and following, as compared with 2007 revenues, despite economic downturn
- Casinos did NO marketing of going smokefree, missing out on opportunity to attract 80% of gamblers who do not smoke.

- Atlantic City's revenues dropped in autumn 2006 and the following months, due to slot casinos opening in Pennsylvania, that attracted AC slot players.
- When AC's local ordinance to keep smoking on 25% of the gaming floors took place in Spring 2007, the smoking was not contained to 25% of the gaming floors, and enforcement was not strong, according to dealer and patron observations.

- 2008 Atlantic City Visitors Profile Study, commissioned by Atlantic City Convention and Visitors' Authority, reported key findings:
- Nonsmokers spend more money in AC than smokers
- Only 23% of AC's gamblers smoke
- A 'nonsmoking environment' ranked 4<sup>th</sup> for reasons to visit AC; gambling ranked 7<sup>th</sup>.

# International Communications Research survey, 2005

- In Spring 2005, IRC surveyed 496 adults in the Mid-Atlantic states about smokefree casinos and the proposed New Jersey smokefree air legislation.
- Findings:
  - Nonsmokers more likely to visit to Atlantic City if casinos were smokefree; smokers said they'd still visit.
  - Estimate smokefree casinos would bring 1.5 million more visitors to Atlantic City.

# California - ACTUAL Gaming Revenues NOT Hurt by Smokefree Law

- In 1998, California's smokefree air law included establishments that serve alcohol, including gaming rooms and casinos (not affect Native American casinos).
- The California Board of Equalization analyzed taxable sales figures for those sites for each quarter of 1998 vs. 1997.
- RESULTS: revenues increased by MORE THAN 5%, following enactment of the law.

Other jurisdictions on economics:

GASP's 2006 presentation at 13<sup>th</sup> International Conference on Gaming and Risk Taking analyzed the economics of smokefree gaming for Delaware's Dover Downs, Massachusetts, Canada and New Zealand. Conclusions: Not the predicted negative impact, some venues' revenues increased.

Please review prior presentation for specifics.

# Positive industry comments supporting smokefree gaming

- Mohegan Sun Casino's Customer Survey found that the number one amenity that patrons would like is a smokefree gaming area.
- Mohegan's Executive Vice President, Mitchell Estess, said, going smokefree "is just good business."  
(Associated Press, 4/17/01)

- Gary Thompson, Director of Sports Entertainment Marketing, Harrah's Entertainment, Inc., which owns and operates World Series of Poker, which is smokefree:
  - "I haven't seen any complaints at all. We found there are a lot more nonsmoking players than smoking players and all of our poker rooms across the country are smokefree." (Nov. 3, 2005)

- Donna Harris, Mirage Director of Poker Operations stated in the Las Vegas Sun (2/14/06):
  - “Personally, I thought it would never happen (smokefree poker rooms). But with players being from California ... people had become accustomed to it.”
  - Dealers already save seats for players so they can eat, drink, smoke or go to the bathroom.

# Gaming Industry Recognizes the Dangers of Secondhand Smoke

- Frank J. Fahrenkopf, President and CEO of the American Gaming Association, stated that:
  - “Our number one priority is the health and welfare of both our customers and our employees, and secondhand smoke poses a real issue for us.”

(Reno Gazette Journal 5/15/06)

# Tobacco Industry Recognizes the Dangers of Secondhand Smoke

- Philip Morris states that secondhand smoke should be regulated in public places:
  - “We also believe that the conclusions of public health officials concerning environmental tobacco smoke are sufficient to warrant measures that regulate smoking in public places.”

[www.philipmorrisusa.com/en/health\\_issues/secondhand\\_smoke.asp](http://www.philipmorrisusa.com/en/health_issues/secondhand_smoke.asp)

## (Tobacco Industry cont.)

“We understand and agree that people should be able to avoid being around secondhand smoke, particularly in places where they must go, such as public buildings, public transportation and many areas in the workplace.”

[www.philipmorrisusa.com/en/legislation\\_regulation/default.asp](http://www.philipmorrisusa.com/en/legislation_regulation/default.asp)

# Union Support for Smokefree Gaming

- The director of the National Federation of Casino Employees stated that casinos should be completely smokefree.
- Jack Lipsman, Director, International Union of Gaming Employees, said "We wish to have casinos join the ranks of other businesses and public entities that are completely smokefree environments."
- United Auto Workers (reps casino dealers and slot technicians in several AC casinos and tribal casinos in CT) supports 100% smokefree casinos.

# Industry transition

When faced with new regulations and trends that favor smokefree gaming, the success of the gaming industry will depend largely upon its willingness to adapt to change, and to apply innovative approaches to expand and retain their customer base.

(see handout for two articles on how to market smokefree casinos)

# Smoke-free gaming is inevitable: Plan for the transition

- Positive mindset
  - ✓ Acknowledge the future
  - ✓ Embrace change
  - ✓ Believe in success
- Be a leader
  - ✓ Reinforces being a trend-setter
  - ✓ Care about worker health/morale

## Identify and adapt to the trend, acknowledge the benefits:

- ✓ Gambling is about winning, not smoking.
- ✓ As smoking rates decrease, demand increases for smoke-free gaming.
- ✓ Secondhand smoke is a worker health issue.
- ✓ Smoke-free lowers maintenance costs.
- ✓ Tie-in a “green” environmental trend.
- ✓ Smoke-free is inevitable; adapt early.

## Gambling is about winning, not smoking:

- People visit casinos to win
  - Entertainment
  - Addiction to gambling
- Some players are serious
- Other players want fun and entertainment

**Bottom line:** gambling is about winning and entertainment, not about smoking. Examples:

- Casinos voluntarily make their poker rooms 100% smokefree voluntarily.

- Example: Atlantic City
  - When Atlantic City's casinos went 100% smokefree from October 15 – November 15, at midnight on October 15, smoking gamblers extinguished their cigarettes and continued to gamble, according to eyewitness reports from casino dealers and supervisors.
  - AC Casino dealers stated their tokes (tips) were higher for the 100% smokefree month, than the preceding and subsequent months.

# Early examples - adapting to change

- **Casino industry voluntarily created smoke-free poker rooms:**
- Las Vegas casinos created smoke-free poker rooms almost ten years ago:
  - ✓ Based on patron demand
  - ✓ Smoke-free poker room trend swept the USA, including Atlantic City
  - ✓ Now in Macau

# Current examples

- **Global gaming industry does business with smoke-free casinos:**
  - ✓ Purchased smoke-free casinos in the United Kingdom
  - ✓ Extending brand name to a smoke-free Canadian casino
  - ✓ Voluntarily made a Nevada casino smoke-free
  - ✓ Wall Street invests in building smoke-free casinos (Atlantic City)

# High-end elegant casinos are smokefree and successful

- Italy's elegant Casino di Venezia:
  - ✓ World's first casino opened in 1638... 100% smoke-free since January 2005
  - ✓ blackjack, poker, slots, roulette, etc.
  - ✓ Upscale
  - ✓ “Tanti, Ricchi e Molto Chic!” (numerous, rich and chic)
  - ✓ World's oldest operating casino

# Back to Basics Marketing

- Focus on new customer base:
  - ✓ More nonsmoking clientele, from decreasing smoking rates
    - 80% of adults in USA do not smoke = enormous untapped customer base
- Be a leader/trend-setter:
  - ✓ Add nongaming amenities, to attract new players and retain loyal players.
  - ✓ 50% of Las Vegas revenues are nongaming

# Focus on the competitive advantage of offering smoke-free gaming:

## Example: Hotel hospitality sector

- ✓ hotel chains voluntarily smoke-free:
  - Marriott
  - Starwood
  - Four Seasons
  - Ritz-Carlton
- ✓ Wide range of clientele
- ✓ Basic to luxury accommodations
- ✓ Not affected by proximity to smoking-permitted properties

# Develop a cohesive, public relations campaign and marketing strategy

## Brand your smokefree casino campaign:

- ✓ Use a creative theme
- ✓ Develop a slogan that works for all promotional channels
  - Print
  - Tv
  - Radio
  - Website
  - In-house signage

Example: Themed smoke-free gaming symbol for marketing and promotional materials



# Brand going smoke-free as “Going Green”

- Trend for business: be environment-friendly.
- Green means clean and healthy, including air quality.
- Going smoke-free can be the 1<sup>st</sup> step in going green.
- Partner with local “green” businesses to promote your smoke-free casino.
- Market your casino to green-conscious customers.

# Retain loyal customers who smoke

## Maintain customers' casino brand preferences:

- Positive attitude
- Unique offerings that co-brand and cross-market with nongaming revenue streams, e.g. dining, entertainment
- Welcome kits:
  - How to reserve a seat at a slot game or table, during a smoke break
  - Gum or candies

# Retain loyal customers who smoke

- Construct outdoor smoking areas:
  - ✓ Inviting and pleasant
  - ✓ Casino “look and feel” for a seamless indoor-outdoor transition
  - ✓ Ensure SHS does not waft inside, no employees work at outside areas
- Show appreciation for past business
- Train employees to politely interface with customers about the new no-smoking policy
- Provide ample notification and clear “no smoking” signs, to avoid confusion

# Improving employee health, helps business and government

- Improve quality of life for workers.
- Reduce scheduling issues.
- Reduce expenses with an employee smoking cessation/quit program.
  - Nonsmoking employees have:
    - Fewer sick days
    - Lower medical costs
  - Start-up an employee quit-smoking program when the casinos go smoke-free.

# Boosting employee morale helps business

- Reduce worker complaints about secondhand smoke in casinos
- High employee morale translates into better customer service
- Better customer service means happier gamblers
- Happier gamblers play more, and increase the casino's bottom line

# Align with health partners to promote a positive business image

- Work with government health agencies provide smoking cessation information to employees.
- Earn goodwill: partner with local nonprofits and charities that promote cancer-free lives / healthy lifestyles.
- Honor local champions who helped to bring change to protect workers.

# Lower maintenance costs with smoke-free casinos

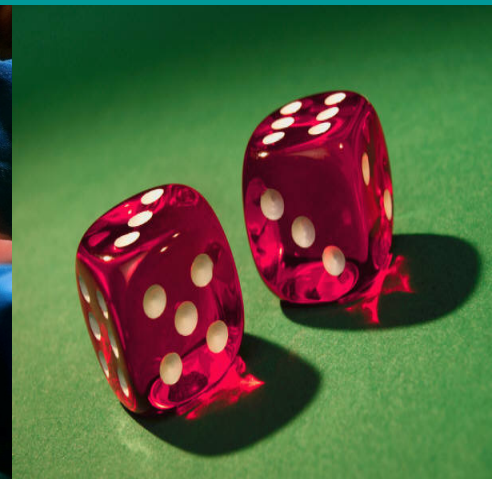
- Less cleaning, damage and replacement costs for furniture, rugs, felt table tops.
- Reduced ventilation system costs
- May obtain lower insurance rates for being smoke-free.
- Reduces risk of explosion of oxygen tanks – fire safety experts state no one should smoke near a person using portable oxygen.

# Conclusions

- The trend for smoke-free gaming is inevitable.
- Business should prepare for smoke-free laws to include gaming venues.
- Business and government can learn from jurisdictions that had smooth transitions to smoke-free casinos.
- ***Embrace the future!***



**PLACE YOUR BETS ON  
SMOKEFREE GAMING!**



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