

# TRENDS IN SMOKEFREE GAMING

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# A Legislator's Special Role

- ▶ Health, safety and welfare of the People:
  - Workers
  - Patrons
- ▶ Fiscal responsibility of your State:
  - Jobs
  - Tax revenues
  - Healthcare costs
  - Minimize litigation

# Smokefree Gaming Promotes Health

## ▶ Health

- Immediate improvement in worker health.
- 100% accommodation for breathing-disabled workers and patrons.
- Reduced fire risk around portable oxygen.
- Air quality within EPA limits.

# Market Demand for SF Gaming

## ▶ Market Demand for SF gaming:

- 80% of the U.S. adult population are nonsmokers.
- 80% of gamblers don't smoke (2006 University of Nevada study).
- Poker rooms and bingo halls smokefree voluntarily across USA.

# Market Demand for SF Gaming

- ▶ A Mohegan Sun Casino's Customer Survey found that:
  - #1 amenity that patrons would like is a smokefree gaming area.
- ▶ It's all about Marketing and Mindset

# Market Demand for SF Gaming

- ▶ International Communications Research (ICR) Survey, Spring 2005 (an independent research organization in Media, PA).

## 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.

# Market Demand for SF Gaming

- ▶ The New Jersey Division of Taxation's Office of Revenue and Economic Analysis issued a smoking ban impact report on gaming, to NJ Treasurer John McCormac, in April 2005.

The Treasurer concluded:

- "...there is little objective evidence of any, much less a sizable, negative economic impact."

# SF Gaming Laws makes \$ense

- SF market demand + SF marketing campaign = gaming revenues.
- Increased gaming revenues = increased state tax dollars AND jobs.
- Improved worker and patron health = \$\$\$\$ saved in state healthcare costs
- Litigation against the state is mitigated by not exempting casinos

# States with Smokefree Gaming

## ▶ Smokefree Gaming by law in 15 states\*:

California

Colorado (Jan. 2008)

Delaware

Florida

Idaho

Maine

Massachusetts

Montana

New York

Ohio

Rhode Island

South Dakota

Utah

Vermont

Washington

- ▶ \*May include casinos, racinos, racetracks, jai-lai, bingo, video slots, card clubs, etc.

# Nations with Smokefree Gaming

- ▶ Australia, by province
- ▶ Canada, by province
- ▶ France (January 2008)
- ▶ Hong Kong (January 2008)
- ▶ Ireland
- ▶ Italy - world's oldest operating casino is the Casino de Venezia
- ▶ New Zealand
- ▶ Northern Ireland (April 2007)
- ▶ Puerto Rico
- ▶ Scotland
- ▶ United Kingdom (July 2007)
- ▶ Uruguay

# Smokefree casinos in Italy

## ▶ Italy's elegant Casino di Venezia

- world's first casino, opened in 1638  
367 years later ....  
smokefree since January 2005
- blackjack, poker, slots, roulette, etc.
- men required to wear blazers
- “Tanti, Ricchi e Molto Chic!”  
(numerous, rich and chic)

# 100% Smokefree Tribal Casinos

- ▶ Taos Mountain Casino (New Mexico)
  - Marc Kaplan, Marketing Director
    - It's all in the marketing
    - High demand for smokefree gaming
- ▶ Muckleshoot Casino II (Washington state)
- ▶ Lucky Bear Casino (by Hoopa, CA)
- ▶ Valley View Casino (by San Diego, CA)
- ▶ Casino Rama, Great Blue Heron Charity Casino (Ontario, Canada)

# Tribal casinos go smokefree...

- ▶ Core purpose: make decisions based on long term objectives – longevity and health
- ▶ Show appreciation of employees by providing a safe and healthy workplace
- ▶ Market demand
- ▶ Tobacco should be used only for ceremonial purposes, not at a casino

# \$uccess Story – Yonkers Racino

## ▶ Yonkers racino in New York state

- #1 revenue-generating racino in NY state
- 100% smokefree by law
- Competition not affecting revenues:
  - Slot competition from NY tribal, PA, RI and AC that allow smoking, yet Yonkers still successful.
- Positive attitude: embrace smokefree racinos, and pleasant environment

# \$uccess Story – Dover Downs

## ▶ Delaware's Governor Ruth Ann Minner:

- “Delaware’s three slot machine casinos have all experienced their highest revenue periods in the last two years.”
- “The greatest benefit will be the effect felt by future generations who now have the chance to breathe cleaner air everyday.”

(Letter from Governor. Minner, Nov. 6, 2006)

# \$uccess Story – Dover Downs

- Ed Sutor, President & CEO, Dover Downs:
  - "I think it's going to happen inevitably across the United States. There's an old saying: You have lemons, you make lemonade. We're advertising that we're smoke-free."  
(Philadelphia Inquirer, February 5, 2007)
- "Enjoy our 100% smokefree casino!"  
(on Dover Downs' slots homepage)

# \$uccess Story – Dover Downs

- Adding 70,000 sq ft to racino's slot casino, all smokefree.
- Building upscale nightclub, Fire & Ice Lounge, all smokefree.

(Global Gaming Business Weekly, May 14, '07)

- Casino Player magazine names Dover Downs the Best Racino in the Eastern Region, for the 3<sup>rd</sup> year in a row (in its 2005 annual report).

# 2004 UCSF Study on Dover Downs

- ▶ Peer-reviewed UCSF study, published in the international journal, Tobacco Control.
- ▶ Reviewed data on Dover Downs' gaming revenue, as collected by the state office of the Delaware Video Lottery, from January 1996 to May 2004.
- ▶ Results showed no significant effect of the smokefree air law on either total revenues or average revenues per machine.

# California - Gaming Revenues

- ▶ In 1998, California's smokefree air law included establishments that serve alcohol, including gaming rooms and casinos (nontribal).
- ▶ 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.

# Alberta, Canada - Revenues Up

- ▶ Alberta's Smoking ban, including casinos, started on July 1, 2005.
- ▶ Dave Gadhia, CEO of Gateway Casinos Income Fund, based in Vancouver stated:
  - “At the Palace Casino in Edmonton, we saw our revenue increase by almost 5% in 2005, despite the impact of the smoking ban.”

# New Zealand Revenues Up

- ▶ Zealand's smokefree law started in Dec. 2004:
  - "SkyCity Auckland had a strong result despite the smoking ban."
  - "SkyCity Hamilton revenues were steady... despite the smoking ban."
  - "Christchurch Casino is trading in line with the first half of 2005 despite the smoking bans."

(New Zealand's National Business Review, 2/22/06)

# Scotland's Bingo Revenues Up

- ▶ Scotland's Smokefree law started on March 26, 2006. Neil Goulden, CEO of Gala, a bingo hall operator that runs 27 bingo clubs in Scotland:
  - “Since the introduction of the smoking ban, admissions have continued to be very strong in Scotland, stronger in fact than in England.”
  - “This shows that more, not fewer, people are playing bingo following the ban.”

(Reuters, April 24, 2006)

# Hospitality Industry Trend

## ▶ Smokefree hospitality industry trend

### ■ Voluntary

- Hotel chains 100% smokefree: Marriott (Ritz-Carlton, Renaissance, Residence Inn, Fairfield Inn, Spring Hill Suites), Starwood (Westin, St. Regis, Sheraton, Le Meridien); Four Seasons.

### ■ State laws

- 100% smokefree public places and workplaces, with no exemptions for hospitality venues such as restaurants, bars and gaming venues.

# American Gaming Association Agrees

## ▶ American Gaming Association President/CEO, Frank Fahrenkopf:

- “A year or two down the road there's not any public facility you're going to be able to smoke a cigarette in and that includes us.“

(KoloTV.com, May 2007)

- Our #1 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 May 15, 2006)

## Industry Insiders Agree

- ▶ Joseph Weinert, VP, Spectrum Gaming Group, an international gaming consulting firm, based in Atlantic City NJ area:
  - "I think every Atlantic City casino operator and every state-regulated casino operator in the country realizes at some point they're going to have to be smoke-free."

(Philadelphia Inquirer, February 5, 2007)

## Industry Insiders Agree

- ▶ “Industry observers think it is only a matter of time before the state (New Jersey) bans smoking altogether.”

(NJ Star-Ledger, May 27, 2007, Sect. 3, pp. 1, 7)

# Wall Street Analysts Agree

East Coast Gaming Congress - May 1, 2007

- ▶ Andrew Zarnett - Deutsche Bank:
  - Only a matter of time that the casinos will go smokefree.
  - The momentum is here.
  - Can't tell the difference in the air: imaginary walls don't exist, and smokers don't notice where they can/not smoke.

# Wall Street Analysts Agree

▶ Larry Klatzin - Jeffries & Co.:

- Pennsylvania gaming will be smokefree.
- Delaware's Dover Downs built nice outdoor areas and it is palatable.

▶ Adam Steinberg - Morgan Joseph:

- 1/2 of the country lives where it's smokefree by law, so there's momentum.
- This is something smokers are getting used to.

# Casinos Agree

- ▶ Dan Lee, CEO of Pinnacle Entertainment (owner of Sands casino property in AC):
  - Lee said that “he is not concerned the state (NJ) may ban smoking at casinos altogether.”

(NJ Star-Ledger, May 27, 2007, Sect. 3, pp. 1, 7)

# Casinos Agree

▶ Fred Buro, President, Tropicana Atlantic City, NJ:

- "We think ultimately everybody will end up in the long run, and maybe the short run, smoke-free."

(Philadelphia Inquirer, March 26, 2007)

# Casinos See Smokefree Trend

- ▶ James B. Perry, Chief Executive Officer of Trump Entertainment Resorts, NJ:
  - "Generally speaking, we believe over the next three-year period smoking will be banned in almost all casinos throughout the United States or certainly on the eastern seaboard. Long-term, we have to be prepared to operate these casinos in a smoke-free environment."
  - (Press of Atlantic City, February 8, 2007)

# Casinos See Smokefree Trend

▶ Carlos, Tolosa, President Eastern Division,  
Harrah's Entertainment:

- "I believe the casinos will go non-smoking entirely over a period of two or three years."
- "I would love to have all our employees free from secondhand smoke."
- "If we could tell our customers that, say, by January 1, 2009, we'd be entirely smoke-free, then we'd have the chance to build that reality."

(Casino Connection Magazine, June 2007)

# Harrah's owns Smokefree Casinos

- ▶ In 2006, Harrah's bought a UK company that owns 6+ casino licenses; all smokefree in July 2007 per UK law.
- ▶ Harrah's owns a casino in Uruguay, smokefree for more than 1 year.
- ▶ Harrah's is branding "Caesars" onto the Ontario Windsor casino; OW casino is smokefree since May 2006.

# SF Poker Rooms a \$uccess

- ▶ Poker Rooms across USA voluntarily smokefree.
- ▶ Taj Mahal revenue study in year 2000 (Atlantic City), after its poker room went smokefree. Results:
  - Taj Mahal's revenues remained constant, while competitor's revenues fell by 4.7%.

(Cardplayer.com study, authored by Arthur Reber, Phd., professor at CUNY and Brooklyn College, author of *The New Gambler's Bible*)

## SF Poker Rooms a \$uccess

- ▶ MGM led the smokefree poker rooms trend in Las Vegas:
  - "By responding to the groundswell, Bellagio became the leader, rather than the opposition, in the inevitable transition of Las Vegas card rooms from smoky to smoke free facilities."

(Doug Dalton, then Director of Poker Operations at the Bellagio during the changeover to smokefree poker. See [www.pokerpages.com](http://www.pokerpages.com))

## SF Poker Rooms a \$uccess

- ▶ Gary Thompson, Director of Sports Entertainment Marketing (as of 2005), 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)

# SF Poker Rooms a \$uccess

▶ Donna Harris, Mirage Director of Poker Operations:

- “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.

(Las Vegas Sun, February 14, 2006)

## SF Poker Rooms a \$uccess

- ▶ Weldon Russell of Palace Station's poker room in Las Vegas:
  - “We gained more customers than we lost if any.”
  - “Players are gambling longer and aren't walking out... smelling like smoke.”
  - “No dirty ashtrays or burn holes on the tables.”

(Las Vegas Sun, February 14, 2006)

# Need Law for Smokefree Gaming

- ▶ With such positive indicators from the industry, why need a law?
  - Government needs to protect workers and patrons from the Class A Carcinogen, secondhand smoke.
  - Industry unwilling to self-regulate to protect all casino workers and patrons.
  - Industry and citizenry need government to create laws with enforcement mechanisms that will assist with compliance.

# Need Law for Smokefree Gaming

- ▶ Casino employers are required to provide safe workplaces for all employees, whether they work in the corporate casino offices or deal cards on a casino floor.
- ▶ Casino owners are required to provide a safe public place for patrons, and accommodate for disabilities such as respiratory ailments.
- ▶ Gaming venues are places of public accommodation, to be accessible, and open to all people.

# Health Effects

- ▶ Casino owners need to protect all workers and patrons from the health effects of secondhand smoke:
  - Detrimental to those with cardiovascular and pulmonary diseases, including heart attack and respiratory distress.
  - Linked to developing diabetes risk.
  - Risk to damaging DNA (Nevada gaming employees studied)

# Secondhand Smoke and Women

- ▶ Casino owners need to protect pregnant workers and patrons, and women who might become pregnant. Secondhand smoke exposure can lead to:
  - An increase in fetal mutation.
  - Increased risk of miscarriage.
  - Linked to risks associated with breast cancer.

# Chronic Exposure to ETS Almost as Harmful as Pack-a-Day Smoker

- ▶ 2005 UCSF study published in the journal *Circulation*:
  - chronic exposure to secondhand smoke is almost as deleterious to one's health (80%), as being a pack-a-day smoker.
- ▶ 2005 University of Wisconsin study of nonsmoking bartenders in smoky bars:
  - Symptoms are precursors to serious disease like asthma, emphysema and bronchitis."

# Lung Carcinogens in Nonsmokers exposed to Passive Smoke in Casinos

- ▶ A University of Minnesota study published in December 2003 showed that nonsmokers exposed for 4+ hours in a smoky casino have uptake of tobacco specific lung carcinogens NNK and NNAL.

# Newest Study: World Health Org

- ▶ May 27, 2007 World Health Organization issued policy recommendations and conclusions:
  - Only 100% smokefree 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.

# U.S. Surgeon General's Report

## ▶ June 2006 Report on Secondhand Smoke:

- “It is clear that banning smoking from the workplace is the only effective way to ensure that exposures are not occurring.”
- Exposures of nonsmokers to secondhand smoke cannot be controlled by air cleaning or mechanical air exchange.”

# U.S. Surgeon General's Report

## Casinos in Chapter 10:

- “Peer-reviewed studies shows that smoke-free policies and regulations do not have an adverse economic impact on the hospitality industry.”
- Studies by the gaming industry “relied on proprietor predictions or estimates in changes in sales, rather than actual sales or revenue data.”

## Ventilation, Separate Sections Don't Work

- ▶ April 2007 air testing in Rhode Island's 2 casinos. Results:
  - Enclosed nonsmoking gaming areas still smoky
- ▶ April 2007 air testing in Atlantic City's eleven casinos. Results:
  - Poor air quality in smoking-permitted gaming areas
  - Smoke drifts into nonsmoking gaming areas

# Ventilation Does Not Clean the Air

- ▶ ASHRAE (American Society of Heating, Refrigerating and Air Conditioning Engineers) is the U.S. and international standard-setting body for indoor air quality.
- ▶ On June 30, 2005 ASHRAE adopted a new position statement:
  - No ventilation or air filtration technologies will completely eliminate the health risks caused by secondhand smoke.

# AGA on Ventilation

- ▶ American Gaming Association's July 2006 statement, released in response to the June 2006 U.S. Surgeon General's report on secondhand smoke:
  - "...[T]he gaming industry must make the development of an industry-wide approach to indoor air quality a primary concern, and suggests the industry may need to develop even more stringent IAQ controls..."

(Indoor Air Quality and the Gaming Industry, White Paper Series, AGA)

# Tobacco Industry Agrees with Regulation

- ▶ 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)

# Secondhand Smoke is a Class A Carcinogen

- ▶ Secondhand smoke is a Class A human carcinogen
- ▶ Same class as asbestos and benzene
- ▶ Laws exist to protect people from exposure to asbestos and benzene

# Going Forward

- ▶ No gaming exemptions, in your smokefree air laws: all workers should have equal protection.
- ▶ Get tips from states with smokefree gaming: make the transition seamless and educate the public.
- ▶ For states without 100% smokefree air laws in workplaces and public places, it's time.
  - Network with reps from states with 100%: California, Connecticut, Delaware, Florida, Massachusetts, New York, Washington and DC

# Closing Thoughts

- ▶ The people that you represent:
  - entrust you with their lives
  - want leadership and a hero
- ▶ Your power can improve their quality of life
- ▶ Secondhand smoke: a matter of life or death
- ▶ Place your bets on smokefree gaming

# Resources on Smokefree Gaming:

- ▶ New Jersey GASP [www.njgasp.org](http://www.njgasp.org)
- ▶ American's for Nonsmokers' Rights [www.no-smoke.org](http://www.no-smoke.org)
- ▶ The Center for Tobacco Control Research and Education, School of Medicine, UCSF [www.tobaccoscam.ucsf.edu/index.cfm](http://www.tobaccoscam.ucsf.edu/index.cfm)
- ▶ Smokefree Educational Services [www.smokefree.net](http://www.smokefree.net)

## (Resources cont.)

- ▶ **Smokefree Gaming of Colorado**  
[www.smokefreegamingofcolorado.com](http://www.smokefreegamingofcolorado.com)
- ▶ **Atlantic Prevention (Atlantic City casino workers)**  
[www.SmokefreeCasinos.com](http://www.SmokefreeCasinos.com)
- ▶ **News Service** [www.tobacco.org](http://www.tobacco.org)
- ▶ **American Indian Tobacco Education Network**  
[www.crihb.org/Tobacco/tobacco.htm](http://www.crihb.org/Tobacco/tobacco.htm)

## (Resources cont.)

- ▶ U.S. Department of Health and Human Services. *The Health Consequences of Involuntary Exposure to Tobacco Smoke: A Report of the Surgeon General*, Atlanta, GA; Centers for Disease Control and Prevention, Coordinating Center for Health Promotion, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking or Health, 2006.

<http://surgeongeneral.gov/library/secondhandsmoke/>

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**PLACE YOUR BETS ON  
SMOKEFREE GAMING!**

