



October 15, 2018

*Via E-mail to [rsherman@pa.gov](mailto:rsherman@pa.gov) & [lburd@pa.gov](mailto:lburd@pa.gov)*

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**Attention: Public Comment on Regulation # 125-220**

Dear Mr. Sherman & Ms. Burd:

DraftKings Inc. submits the following comments for the Pennsylvania Gaming Control Board's ("PGCB") consideration regarding Regulation # 125-220 (58 Pa. Code §§ 1401.6-1401.8, 1407.1-1407.9, 1408.1-1408.13, 1409.1, 1410.1 and 1411.1).

**§ 1401.6. Permitted sports wagering activities.**

The temporary regulations permit a sports wagering certificate holder or sports wagering operator to offer wagering on certain events as specified in §1401.6(b). DraftKings suggests that §1401.6(b)(4) be modified to include, "International team and international individual athletic events including, *but not limited to*, those events governed by the International Olympic Committee and the International Federation of Association Football." This modification will make clear that this section is not meant to prohibit wagering on events sanctioned by unlisted international governing bodies, such as the International Basketball Federation, International Ice Hockey Federation, International Cricket Council, and World Rugby, among others.

Certain types of wagers are permitted in accordance with §1401.6(c). DraftKings suggests that in addition to the wager types listed, this section be amended to specifically allow for pools and futures wagering.

Pools permit patrons to compete against one another in a wagering contest based upon a set of predetermined rules, as established by a sports wagering certificate holder or sports wagering operator, for fixed entry fees that are placed into a common pool and thereafter distributed in accordance with the established rules. Futures wagers are wagers that are determined at a specified date in the future. Popular futures wagers include: which player will win a league's Most Valuable Player award, which team will win a league's championship, and whether a team will finish the season with more or less than a set number of wins.

The inclusion of these popular wager types is in line with offerings found in other jurisdictions and are important elements of a successful regulated sports wagering market.



DraftKings further suggests specifically allowing for in-game proposition bets in §1401.6(c)(2) by modifying that provision to include, “Wagers placed on the outcome of an athletic event *or on the occurrence or nonoccurrence of a specific outcome of events within a game not directly involving the game's final outcome* after the athletic event has started and can continue during the course of live play of the athletic event.”

#### **§ 1401.7. Prohibited and restricted sports wagering activities.**

§1401.7(c) prohibits many who are affiliated with an athletic event or governing body from having any ownership interest in a sports wagering certificate holder or sports wagering operator. This prohibition is not necessary to protect the integrity of the games or the wagering and poses a complete barrier to entry to numerous operators, including DraftKings, which count persons affiliated with an athletic event or governing body among its many passive investors.

DraftKings suggest that Pennsylvania implement a reasonable ownership threshold rather than a complete prohibition on any ownership interest, similar to what other jurisdictions have done. Furthermore, DraftKings suggests limiting the prohibition on certain ownership interests or control to entities offering sports wagering on those sports with which the individual exceeding the threshold is affiliated. Specifically, DraftKings suggests amending §1401.7(c) as follows, “An athlete or person who holds a position of authority or influence sufficient to exert influence over the participants in an athletic event... is prohibited from having *an ownership interest of 10% or more in or control of a sports wagering certificate holder or a sports wagering operator that accepts wagers on athletic events with which the person is affiliated.*”

Similarly, in §1401.7(d), DraftKings suggests imposing a threshold on the certificate holder or operator’s ownership interest in an athletic organization rather than a complete ban. DraftKings suggests modifying the provision to say, “Sports wagering certificate holders and sports wagering operators are prohibited from having an ownership interest *of 10% or more* in or control of an athletic team, organization or governing body of an athletic team or organization upon which the sports wagering certificate holder or sports wagering operator accepts wagers.”

#### **§ 1407.4. Wagering device requirements generally.**

§1407.4(c)(8) requires wagering devices to be capable of recording information for each wager including “an indication of when the ticket expires.” DraftKings suggests adding “, *if applicable.*” to the end of that sentence to reflect that digital tickets may not expire.

#### **§ 1407.8. Sports wagering interactive system requirements.**

§ 1407.8(a) states that sports wagering platforms must adhere to the same requirements as interactive gaming platforms as provided for in Chapter 809. DraftKings suggests that the



Board should provide a sports wagering exception to § 809.7(c), which requires operators to geoblock players from accessing mobile games within a licensed facility. It would benefit both patrons and certificate holders for patrons to be able to access mobile sports betting platforms while at the licensed facility both to monitor existing bets and place new bets while engaging in gambling on the casino floor and enjoying other casino amenities. Unlike other types of interactive gaming, the scheduled real-time nature of sporting events means that many patrons would have to choose between following their bets live from the convenience of their phones or being present on casino property while games are in progress. This unnecessarily discourages patrons from taking advantage of the full offerings of a casino if they want to conveniently place in game bets or follow their performance on existing sports bets from their mobile devices.

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Thank you for your consideration of DraftKings' comments regarding the proposed regulations.

Sincerely,

DraftKings Inc.