

Testimony of Pilot/Flying J Travel Centers
Scott Klepper, Senior Manager
Before the House Gaming Oversight Committee
May 1, 2017

Chairman Petri and members of the House Gaming Oversight Committee, my name is Scott Klepper. I am a Senior Manager with Pilot/Flying J Travel Centers. We are the number one seller of over-the-road diesel fuel in the industry, serving America's professional drivers and other guests. All totaled, we employ over 24,000 team members across North America, have over 65,000 parking spaces, 769 locations, and serve 475 million customers a year. We are the largest truck stop operator in PA with 20 locations throughout the Commonwealth, and employ around 900 Pennsylvania residents.

I appear before you today to voice our support for the legalization of Video Gaming Terminals (VGTs) in Pennsylvania, specifically those to be placed in truck stops. We serve a unique market of clientele, customers that would not otherwise be captured by other venues in Pennsylvania. Our facilities provide fuel, food, showers, laundry, parking and other amenities for professional drivers to enhance their life on the road. These drivers traverse the Keystone State bringing virtually every product we consume to market. While traveling, these professionals are subject to Federal and State laws that require them to stop from time to time.

As we have experienced in Illinois, the implementation of VGTs can be a great revenue generator for truck stops, VGT operators, and for the government. In 2016, VGTs in IL generated \$1,108,145,508.36 in total revenue. Of that revenue, \$186,749,512.40, or 17%, came from the machines in the state that are placed in truck stops. The VGTs in truck stops only account for 4% of the total number of machines in IL.

Not only is there value in the VGT market for placing machines in truck stops, but drivers also purchase additional consumer items and services while stopped. Purchase of these items, subject to PA Sales and

Use Tax, increase tax revenue to the Commonwealth. Enactment of legislation authorizing VGTs in truck stops encourages out of state drivers to stop and spend their money here in PA.

Thank you for allowing me the privilege to testify before you today. I stand ready to answer any questions you may have at this time.