

May 1, 2017

TESTIMONY SUBMITTED TO THE HOUSE GAMING OVERSIGHT COMMITTEE

By: Al Blough, President of the Bowling Proprietors' Association of Pennsylvania

RE: The legalization and regulation of video gaming terminals (VGTs) in Pennsylvania

Chairman Petri, Chairman Harkins, and members of the committee, thank you for the opportunity to submit testimony for today's hearing on the legalization and regulation of video gaming terminals, or VGTs, in Pennsylvania. As the President of the Bowling Proprietors' Association of Pennsylvania, I want to briefly discuss the impact that VGTs would have on the bowling industry in Pennsylvania.

Pennsylvania's bowling industry is unique. We are the only state that is not dominated by big bowling chain centers such as AMF, Brunswick, Bowl America, etc. There are 240 bowling centers in Pennsylvania and of those, fewer than 10 are owned by chains. This means that over 95% of Pennsylvania's bowling centers are family owned and operated. My own centers are currently operated by 3<sup>rd</sup> generation family members and this is not an anomaly. Many Pennsylvania bowling centers are operated by 2<sup>nd</sup> and 3<sup>rd</sup> generation family owners.

The bowling center industry across the country faced serious declines between the years 2000 and 2012. Nearly a quarter of all centers closed, and we saw similar declines in the state of Pennsylvania. There are many factors that caused the decline, but in addition to the economic realities of the state and nation, we are forced to compete for the consumer's entertainment dollars against government subsidized enterprises like major sports in their brand-new stadiums and publicly-owned golf courses, just to name a few.

In addition to these competitors, now we have casinos offering free drinks and some do have bowling lanes, which undercut local centers with low prices to get people in the door so the casino can make their profits elsewhere. Our local centers must have the opportunity to offer our customers comparable entertainment that the casino venues offer, mainly entertainment in our sport, great food and drinks, and gaming through the addition of VGTs.

In addition to the ability to compete I will leave you with one final thought. Five VGTs in one of my centers will generate between \$40,000 and \$50,000. That money will enable me to renovate my building, buy new equipment for the lanes, and hire additional employees. Such changes and upgrades would build my business and strengthen the local and state economies by contributing more in business and property taxes which could help hundreds of communities throughout the state.

Thank you to the chairmen and the committee members for your time.