

February 25, 2022

Hon. Doug Downey
Attorney General,
720 Bay Street, 11th Floor
Toronto, ON M7A 2S9

RE: Internet gaming (iGaming) framework

Dear Attorney General Downey:

The modernization of gaming revenue in Ontario is an important issue that provides new opportunities while also raising some concerns. It is anticipated that the iGaming initiative will allow the Government of Ontario to capture revenue that might otherwise go to offshore gaming providers. However, we are concerned that Ontario's approach may come at the expense of current revenue and employment sources our communities depend on.

A recent study by HLT Advisory Inc. examining the impact of the iGaming initiative on Ontario's gaming industry concluded that over the next 5 years there is a potential loss of more than 2,500 Ontario-based casino jobs, \$191 million in municipal contributions and \$3 billion in Ontario government revenues.

We are urging the Government of Ontario to:

- Work with stakeholders, including land-based casinos, to minimize local job losses and ensure the addition of iGaming will result in the growth of Ontario-based jobs in the gaming sector; ○ Specifically, engage in meaningful consultations with First Nations and Indigenous communities currently operating gaming activities, on land and online;
- Provide casino host communities with an iGaming plan that demonstrates a negligible impact on municipal revenue sharing;
- Provide municipalities and First Nations and Indigenous communities across Ontario with an iGaming revenue sharing agreement with a similar structure to the gas tax program; and
- Work with stakeholders to establish a competitive tax rate for iGaming that is fair to land-based casinos but also encourages offshore operators to join Ontario's proposed framework.

Ontario is not the first jurisdiction in North America to legalize iGaming. Every U.S. state that has introduced iGaming has done so in a coordinated manner with existing land-based casinos. While we remain supportive of proposals to expand opportunities for private enterprise within Ontario's regulated gaming space, the OCC wishes to raise the aforementioned concerns regarding direct impacts to land-based casino operations as a result of the legislation as currently drafted. Thank you for your consideration.

Sincerely,



Rocco Rossi
President and CEO Ontario Chamber of Commerce