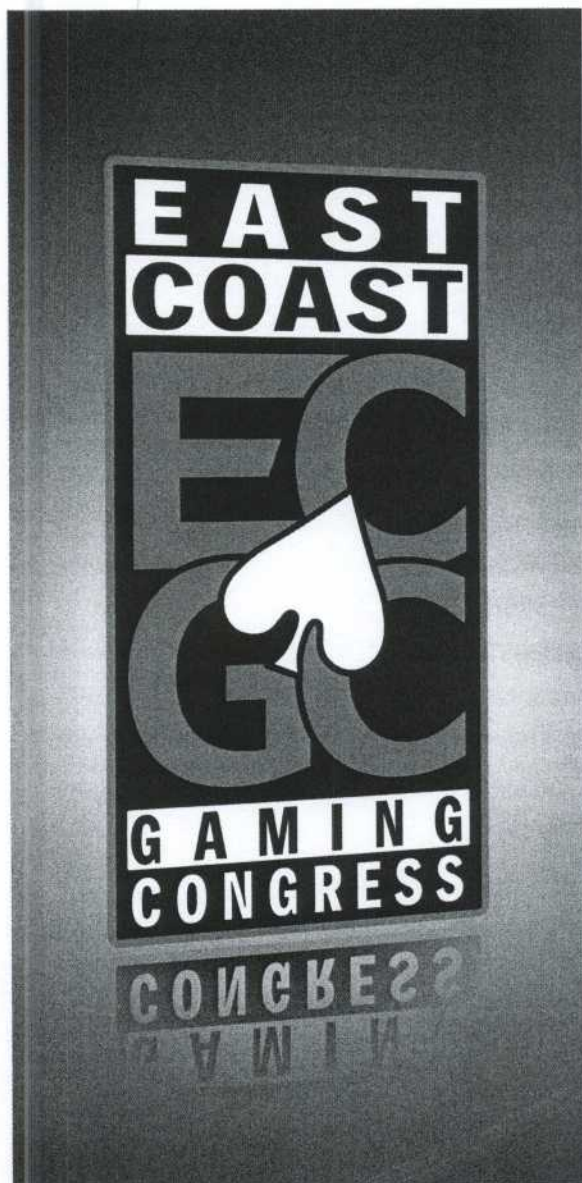


NEW INSIGHTS AT THE EAST COAST GAMING CONGRESS

By John Drugach



Gaming trade events often simply serve as a central place where various casino management cultures can mingle to exchange marketing ideas—a place where casino executives who are facing significant hurdles can be found borrowing ideas from one another. But who knew that, of all the events out there, the East Coast Gaming Congress would become so perfectly scaled in providing timely new insights into gaming opportunities? Such was the case May 24–25 at the Atlantic City Convention Center. With nothing less than the future of Atlantic City at stake, the 14th annual East Coast Gaming Congress conference focused on “Confronting the Future of Gaming” itself and “Acting and Reacting in Dynamic Markets,” with intriguing Atlantic City overtones.

The conference was organized by Spectrum Gaming Group, Cooper Levenson, SOSH Architects and Chapdelaine Credit partners, and it was here that influential voices such as Frank J. Fahrenkopf Jr., president and CEO of the American Gaming Association (AGA), and Mitchell Etes, CEO of the Mohegan Tribal Gaming Authority, demonstrated why the East Coast Gaming Congress is gaming’s premier forum. Fahrenkopf did so by mulling over out loud the results of this year’s 2010 State of States, the AGA’s 12th annual survey of casino entertainment. Meanwhile, Etes spelled out in great detail Mohegan Sun’s formula for overcoming the current economic obstacles to success.

For Mohegan Sun, the focus was more on entertainment and less on the casino. Case in point, while Mohegan Sun made deep across-the-board cuts in expenses, its 400-seat Wolf Den nightclub remains free to casino patrons. According to Etes, this harkens back to the Mohegan Tribal Council’s business beliefs, which are in lockstep with those found in “Built to Last,” by Jerry Porras and James C. Collins.

While listening to Etes, I couldn’t help but recall when, over a decade ago, he told me that “We do not compare Mohegan Sun results to other Native American casino properties, but rather against certain major Las Vegas properties.”

After hearing what Etes had to say that morning, and considering Mohegan Sun’s current success, I couldn’t help but wonder if some

Las Vegas properties shouldn't now be comparing themselves to what Mohegan Sun is achieving today. Especially when Etes was confidently able to state, "When we get more money, we are poised for extremely high flow through."

Mohegan Sun's success is in the details, from Sunrise Square, an Asian gaming area within the property's Casino of the Earth, to even a NASCAR championship, with Matt Kobyluck, a Native American Mohegan driver and two-time nationally televised NASCAR Toyota All-Star showdown winner behind the wheel for more than a dozen years. Perhaps the best proof yet of its most recent success is its first "off-reservation" property, Mohegan Sun Pocono Downs, where financing is in place for a new hotel to rise.

It's safe to say that the always well-orchestrated East Coast Gaming Congress is still the type of

conference that is matchless in quality and straight-from-the-source information that we rarely see anymore. This was especially so thanks to speakers that provided in-depth coverage of timely technological advances without any fuzziness—you could truly understand what was just presented. They also provided the kind of information that could be put to prodigious use, covering major issues such as the impact of table games in Pennsylvania and Delaware, the state of the Aqueduct project, the role of Seminole gaming in Florida, the opening of slots in Maryland, and legalization efforts in Massachusetts and New Hampshire.

The persistent Meadowlands Boardwalk Casino question was also addressed, with Don Marrantino, president of the Eastern Division of Harrah's Entertainment Inc., flatly stating, "It would be a big hit." He then qualified his response by saying, "In my opinion it would be a bad thing." Presumably, he meant only for Atlantic City casinos, unless, of course, the project were to be a true Meadowlands Boardwalk of Boutique Casinos, with current Atlantic City Casinos having first dibs.

If appreciative smiling and nods of approval are a good judge of definitive introductions, then Spectrum Gaming Group Senior Vice President Joseph Weinert's introduction of John Finamore, Penn National Gaming's senior vice president of regional operations, was at least cause for rumination when Weinert said, "Penn National is in markets only served by turboprop jets."

As for remedies to help fix Atlantic City itself, the most succinct suggestion perhaps came from New Jersey State Senator the Honorable James Whelan, who offered two insights: add "new product" and "reduce blight on Albany Avenue," a jolt that elicited a vociferous mumbling from those in the back of the room.

Michael Pollock of *Michael Pollock's Gaming Industry Observer* made what may be the most astute and telling observation of all, introducing luncheon keynote speaker Gary Loveman, chairman, president and CEO of Harrah's Entertainment Resorts, as "an Atlantic City guy." According to Pollock, there are key gaming management positions all over the world that are held by people who began their careers in Atlantic City. Speaking as if with exclamation marks

following each key word, Loveman's command of the numbers required to justify the next big project were spot on—and startling enough to choke on, if not for an excellent meal compliments of a resurgent Bally's, which came well prepared and with its own set of encouraging Power-Pointed numbers.

Despite a stubbornly weak economic rebound, Pennsylvania casinos are riding

their own current in leading consistent advances in gaming revenue in the Mid-Atlantic states—so much so that the once-stalled Sands Casino Resort Bethlehem hotel ironwork is about to get back underway again. This gave cause for Sands Casino Resort Bethlehem President Robert DeSalvio to declare, "It's extremely vital to add hotels to the mix, as customers want to stay on site."

Yet in a geographic oddity, fighting for market share is not isolated to the Mid-Atlantic region, as the fast-paced continued growth of gaming from Connecticut to Maryland to the Virginia panhandle has created intensive competition. For more discussions concerning these competitive challenges and the outlook for this dynamic region, be sure to mark May 23–24, 2011, on your calendar now.



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