Good morning members of the Commerce, Manufacturing and Trade subcommittee. I am Charlie McIntyre and I have the honor and privilege of serving as the executive director of the New Hampshire Lottery.

Please indulge me for a moment, in boasting of the place I call home and the lottery I am honored to work for. New Hampshire is a state of firsts, most importantly, the first presidential primary in the United States. As a transplant I was unaware of how fervently and how deeply the people of New Hampshire hold their role in the process of selecting a president – but in New Hampshire – the time surrounding the first primary is sacred. To say that New Hampshire citizens are proud of their first in the nation status virtually defines understatement.

Following in the tradition of firsts, New Hampshire was home to the first modern lottery in the United States. After five attempts and ten years of trying, Larry Pickett, an intrepid legislator from Keene NH, oversaw the passage of legislation in 1963 which permitted the first modern lottery in the US to begin selling tickets a year later; despite fears of corruption, social issues and the end of civilization as the opponents then knew, the bill became law. Gov. John King bought the first New Hampshire ticket from its first director Edward Powers, on March 12, 1964 which I have here today. Mr. Powers was a retired FBI agent, and many US lottery directors have followed that lead and come from long and distinguished careers in law enforcement. I, myself, was a senior state prosecutor in Massachusetts specializing in organized criminal conduct for a number of years, serving under District Attorneys William Delahunt and William Keating, the former having served and the latter being a current member of this august body.

Since that first day in 1964, the New Hampshire lottery has provided almost $1.5 billion in education funding to the public schools of New Hampshire. Currently, we provide approximately 7% of the state's education funding and – 100% - of our profits go to educate NH school children

New Hampshire, along with sister states Maine and Vermont, was also the first to create a multi-state lottery game. Three governors, three separate legislatures and three lotteries banded together by compact to form a game in 1985 which we still conduct to this day. This innovation served as the precursor to the lottery games known as Mega Millions and Powerball, that effort in '85 constituted the first multi-state collaboration of its kind in the US.

New Hampshire now finds itself engaged in a debate over whether or not to legalize full casino gambling. This is the twelfth year that the debate has been conducted, the sixth legislative session to consider expanded gambling. Each time, during each session, the question of expansion is debated and thoroughly studied by the elected officials, the press and the citizens. Whether or not expanded gambling passes, the important point is that it has been put to a full and public hearing before those whose lives may be impacted.

Similarly, the question of whether to expand the gambling offerings into the internet and via mobile devices should also be decided by each individual state. This belief - this ideal - has long roots within the confines of codified law regarding gambling, but its roots are even more basic than that. Your state should maintain its right to determine its level of tolerance for the expansion of gambling, within its own borders, by being the moving party for that expansion. As the history of New Hampshire points so vividly, a question may be put to the state a number of times before the answer is yes; and sometimes the answer may be no. Nevertheless, the question should be posed only to those most directly elected by the citizens, which is admittedly in New Hampshire a far greater number than most places – New Hampshire boasts the second largest legislative body in the United States at 400 members in her house of representatives.

The internet would allow access to virtually every home for gambling. Each state must decide, on its own time and pace, what the tolerance it has for that expansion. Only after that question is answered in the affirmative can the state determine all of pertinent operational questions

including: payment, PCI compliance, age verification, compulsive gambling issues and geo-location. The New Hampshire lottery, for almost 50 years, has maintained control of lottery gambling within the borders and has handled all marketing, regulation, promotion and expansion in a manner consistent with the wishes of the state leaders; and without significant controversy or issues. The lottery had adopted and integrated changes in technology over that time; and if the state of New Hampshire's elected officials allowed, we would consider the internet another step along that path, comfortable that it could be successfully managed and regulated in state.

An important point not to be overlooked, as the director of the state lottery, I am responsible for transferring to the New Hampshire education trust fund $70 million dollars this fiscal year in net proceeds and $72 million next fiscal year. Any impact, any encroachment upon the gambling space in New Hampshire without deliberate execution and careful planning will materially place those revenues at risk.

Finally, the question of gambling and expansion has always been reflected in each individual state's approach to governing. The tolerance of a state for gambling is in direct correlation to that states position on expansion and this committee is a wonderful example of the spectrum upon which gambling rests across the United States. At one end of the spectrum is Utah, which has no lawful gambling within her borders that I am aware of; on the other end is the state of New Jersey, which has an active casino presence, a mature and robust lottery, horse racing, charitable gaming and is currently attempting to start both sports betting and internet wagering on its own. Both exist based upon each state's determination as to what is best for their citizens. But regardless of where each state rests on that line, it was determined after a deliberate process that occurred within the state.

I certainly thank the committee for your time and efforts in this matter, and I welcome any questions or comments you may have.