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October 20, 1995

Honorable Thomas J. Ridge  
225 Main Capital Building  
Harrisburg, Pennsylvania 17120

**Re: Our Client: The Executive Board of the Erie County Federation of  
Fraternal and Social Organizations  
Riverboat Gambling**

Dear Governor Ridge:

This correspondence is on behalf of the member clubs of the Erie County Federation of Fraternal and Social Organizations. Its purpose is to apprise you of our members' position regarding the controversial issue of "riverboat"/excursion boat gambling legislation.

As you may be aware, the Erie County Federation of Fraternal and Social Organizations is the oldest county-wide Federation of Clubs in our Commonwealth, having originated in 1933. It is a charter member of the Pennsylvania Federation of Fraternal and Social Organizations, the state-wide organization of county-unit federations which was formed in 1939. The Erie County Federation consists of 44 member clubs which together employ hundreds of Erie County citizens and boasts thousands of members. As an organization formed for the benefit of its members, the Erie County Federation has remained perpetually active at both local and state levels with respect to issues and legislation of concern to its member clubs and community. Riverboat gambling is such an issue and is of great concern to the overwhelming majority of our members.

Not long ago, prior to the enactment of small games of chance legislation in 1988, many clubs in Erie County were struggling for their very existence. Increasing overhead and declining membership threatened the future of clubs in this area and state-wide. The Small Games of Chance Act, which legalized the operation of small games in eligible clubs, turned the future around for these community-based organizations. The

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additional revenues enabled many clubs to survive, rejuvenate and once again thrive as important contributing organizations in the community offering fraternity, charity and cohesiveness to an increasingly fractioned and impersonal society. People have rediscovered their clubs, finding recreation and support in first-class facilities in their own community. The money spent by members in the clubs is reinvested to provide better facilities and services for the member's enjoyment. In this manner, the member's investment in their club remains in this community and benefits the members themselves. Clubs truly are organizations formed for the benefit and enjoyment of their members without which they would no longer serve any purpose and could not survive.

The Erie County Federation of Fraternal and Social Organizations is deeply concerned by the prospect of riverboat/excursion boat gambling. Erie County, with its natural resource of Lake Erie and the bay, is one of the few sites in the Commonwealth for such gaming. The Federation fears that the competition from riverboat gaming would draw substantial member business away from the clubs, resulting in significant and unrecoverable lost revenues from small games of chances, food and beverages. Not a dime of the increased revenues lauded by proponents of riverboat gaming will be spent inside clubs as the tourists and non-member residents who will patronize riverboat gaming establishments are not members of Erie County clubs. However, many local club members will take their business to the riverboat gaming establishments, resulting in a very significant loss of club revenue in small games of chance, liquor, beer, food and dining sales which cannot be recouped. Valued employees will also be lost to riverboat gaming establishments, thus affecting the quality of services provided to club members.

Consequently, it is the Federation's belief that riverboat gaming would seriously threaten the long-awaited and welcomed progress which area clubs have made since the Small Games of Chance Act became law. The Federation does not wish to see the loss of this progress which has been absolutely vital to the very survival of many clubs, and most especially not as a result of legislation proposing such a controversial and highly speculative source of additional government revenues. Riverboat gaming is by no means a sure-fire panacea for governmental revenue-ills. In fact, as reported, it has had many undesirable consequences in communities that have legalized it. The Federation's members do not wish for such to be the case in Erie County, particularly with respect to their financial ability to continue to provide quality facilities and services for their members.

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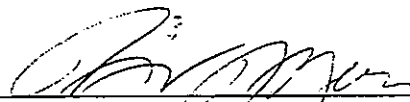
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For all of the foregoing reasons, please be advised that the Erie County Federation of Fraternal and Social Organizations is adamantly opposed to riverboat/excursion boat gaming legislation. Your kind attention to our concerns as expressed above is sincerely appreciated. Wishing you the best, we remain,

Very truly yours,

NICHOLS KRILL & TAGGART

By

  
Thomas V. Myers, Esquire  
Solicitor, Erie County Federation of  
Fraternal and Social Organizations

TVM:cmg

pc: Senator A. Buzz Andrezeski  
State Rep. Linda Bebko-Jones  
State Rep. Italo S. Cappabianca  
State Rep. Karl W. Boyes  
State Rep. Tom Scrimenti  
State Rep. James Merry