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## **Revel CEO considering no-smoking policy at casino, but moving cautiously**

**By DONALD WITTKOWSKI, Staff Writer | Posted: Sunday, May 29, 2011 2:30 am**

ATLANTIC CITY - The new \$2.4 billion Revel casino may break from the Marlboro pack when it opens next year.

Although every other Atlantic City casino allows gamblers to puff away, Revel will likely go completely smoke-free, the company's chief executive officer says.

"The market we're targeting is fundamentally a nonsmoking market," Kevin DeSanctis said of the upscale megaresort's customer base.

DeSanctis noted Revel is analyzing the impact of a no-smoking policy. He first disclosed the possibility of Revel going smoke-free during remarks Tuesday to the annual East Coast Gaming Congress in Atlantic City. At that time, he also announced that Revel plans to open May 15, 2012.

DeSanctis added that a no-smoking policy "scares me" because it could offend some customers in an industry that still caters to the cigarette-and-cigar crowd.

But one New Jersey-based anti-smoking group argues a no-smoking policy would not risk Revel's business because the vast majority of casino customers do not smoke. Karen Blumenfeld, executive director of Global Advisors on Smokefree Policy, or GASP, said just 15 percent of the adults in the Northeast smoke. She also cited a 2008 study conducted by the Atlantic City Convention & Visitors Authority that found that only 23 percent of Atlantic City's casino customers smoke.

"I think that Revel is acknowledging public demand for a smoke-free environment," Blumenfeld said. "Tourists want to visit and spend their dollars in places where they are healthy. They'll come back and tell their friends, 'I had a wonderful vacation at Revel and - Guess what? - it was smoke-free.'"

Blumenfeld believes Atlantic City's 11 other casino hotels may be pressured into adopting their own smoking bans if Revel's proves successful. She said casinos in Delaware and New York have already done well even though they prohibit smoking.

"If it turns out in Atlantic City that smoke-free gaming definitely brings in more revenue, then they may change to that," Blumenfeld said.

Blumenfeld's group concluded that even the recession could not deter the global momentum of smoke-free laws in workplaces and public places, including the casinos. An analysis done by GASP found that from mid-2008 to present, the United States saw a 25 percent increase in smoke-free gaming laws, with a 50 percent increase in similar laws overseas.

Atlantic City casinos were exempted from the 2007 New Jersey Smoke-Free Air Act, which bans smoking in most public places in the state.

An Atlantic City law, though, restricts smoking to only 25 percent of the casino floor. Atlantic City briefly banned smoking on the casino floor in 2008, but went back to the 25 percent limit amid warnings from the gaming industry that smokers would take their business elsewhere.

The Press of Atlantic City, in a story published in April, found that casinos generally have not been doing a good job in enforcing the smoking restrictions. The newspaper documented violations that included patrons openly smoking in some non-smoking areas and a lack of signs designating smoke-free locations.

Figures compiled by the American Gaming Association show that smoking is completely banned in eight of the 22 states that have commercial casinos. The statistics do not include Indian-owned casinos.

Using words such as "catastrophic," Atlantic City's casinos have been warning for years that a complete smoking ban would harm business. The Casino Association of New Jersey, the trade group representing Atlantic City's gaming industry, has repeatedly said that thousands of jobs and millions in tax revenue could be lost if customers flee Atlantic City for smoker-friendly casinos in surrounding states.

Gaming analyst Cory H. Morowitz, chairman of Morowitz Gaming Advisors LLC of Galloway Township, said that smoking sections "pretty much dominate" in casinos that have both smoking and non-smoking areas.

But Morowitz also pointed out that Revel could put itself in a position to command a larger share of the nonsmoking casino customers, outweighing any risks of possibly losing the patrons who smoke.

"Obviously, where smoking is allowed, you're at a disadvantage because the large percentage of serious gamblers smoke. But I think there is an opportunity for Revel to create that environment that can dominate the nonsmoking side, so that's the upside," he said.

However, Morowitz also explained that a smoking ban could mean gamblers would have to step away from the slot machines or table games for cigarette breaks outside the casino, cutting into gaming revenue.

"Mathematically, when you have to leave for smoking, it takes away from time on device," he said.

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