LECG

January 21, 2010

To Whom It May Concern:

I am a Ph.D. economist and Principal at LECG, an international economic and financial consulting services firm. I have been asked to write a brief letter summarizing the results of my research on the economic impact of smoking bans on the hospitality industry. In writing this letter, I am not advocating for or against any particular contemplated smoking ban.

Over 100 studies have been performed on the economic impact of smoking bans on the hospitality industry. While these studies have obtained mixed results, many studies have purported to demonstrate that smoking bans do not harm the revenues, profits, and/or employment of hospitality industry firms. However, prior research does *not* establish that smoking bans will not harm bars, restaurants, hotels, or gaming establishments. In fact, in many circumstances such bans should be expected to have negative economic impacts on many hospitality industry firms. This conclusion is supported by my recent research article in the peer reviewed journal, the *B.E. Journal of Economic Analysis & Policy,* and described in my recent opinion piece in *Forbes.com.* I did not receive financial support of any kind from any organization in authoring these articles or conducting my research.

Sincerely,

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