

# The Philadelphia Inquirer

Wed, Oct. 3, 2012

## Internet gaming dominates the agenda at industry confab in Las Vegas

By Suzette Parmley

Inquirer Staff Writer



LAS VEGAS - Internet gaming, the next frontier for casinos, occupies center stage here this week at the Global Gaming Expo, known as G2E.

What form I-gaming will take and how it will be regulated are anyone's guess, but the industry already is creating interactive products that will allow anyone who frequents a casino to enjoy favorite slot machines or table games online, in virtual versions that look identical to those on the casino floor.

The idea, said Mike Trask, spokesman for game-manufacturer Bally Technologies Inc., is "for the ... customer to have the same experience whether online, in the casino, or waiting in line at the grocery store, while playing games on an iPhone, iPad, Android, and other tablets - anything with an Internet connection."

A proposal in Congress calls for legalizing online poker nationwide. Meanwhile, states look for ways to do it themselves, said Frank Fahrenkopf Jr., chief executive officer of the American Gaming Association (AGA).

This year, Nevada became the first state to legalize and implement regulations for online poker. During the summer, Delaware authorized a wider array of online casino-style games, and California and New Jersey are weighing legislation. (Online gaming has not yet hit the legislative agenda in Pennsylvania, Gaming Control Board spokesman Doug Harbach said.)

"The entire gaming industry is anxious to see more clarity on the legality of online gambling," Fahrenkopf said at a news conference Tuesday on the \$36 billion-a-year U.S. casino industry overall. "The AGA supports states having the right to license and regulate online poker, but not without federal minimum standards that address consumer protection, prevent underage gambling, promote responsible gaming, and provide help for those with gambling problems."

Such concerns have stymied passage of a federal bill for years, said Les Bernal, who heads the national group Stop Predatory Gambling.

"The reason Internet gambling will inevitably fail to pass Congress is simple: The American people don't want it. Citizens don't support government promoting gambling at the state level either because it has led to higher taxes, more personal debt, worsened state budget deficits, and turned millions of citizens into gambling addicts."

Fahrenkopf said his organization continues to push Congress for a clear regulatory framework for Internet poker.

"Without action, we will see states legalize online gambling one-by-one, leading to a patchwork quilt of rules ... that will make oversight difficult and put customers at risk," he said. "What I can say is that no matter what Congress does ... it's not a matter of if online gambling will be legalized in the U.S., but when, where and how."

An I-gaming bill passed in New Jersey last year, only to be vetoed by Gov. Christie, who questioned whether the activity could be properly regulated. Lawmakers say they are confident they can pass another bill by year's end.

"I'm optimistic that the remaining details, which are mostly technical in nature, including what rate to tax Internet gaming revenue, will get resolved as the fall unfolds," said Assemblyman John Burzichelli (D., Gloucester).

At a town hall meeting last week, the Republican governor said he would take a fresh look at whatever measure the Legislature sends his way. But Christie reiterated the need to contain I-gaming to computer servers housed at the 12 Atlantic City casinos and for enough restrictions to prevent it from spreading.

"What the bill that the Legislature sent me did was going to permit there to be online poker halls in every neighborhood in New Jersey," Christie said. "All you needed to do was open it up as an Internet café, and you would have people gambling in every neighborhood in New Jersey. That's not what anybody's looking for here."

But Sen. Ray Lesniak (D., Union), chief sponsor of the I-gaming bill in the state Senate, said he expected no movement until after the presidential election. He and others say Christie does not want to offend Las Vegas Sands Corp. chief Sheldon Adelson, who adamantly opposes online gambling and has given tens of millions of dollars to Republican Mitt Romney's presidential campaign.

Lesniak said Internet gaming could generate an additional \$200 million a year for Atlantic City's ailing casinos.

I-gaming is the theme of this year's G2E, which will run through Thursday at the Sands Expo and Convention Center. Sprawling over nearly 262,000 square feet are exhibits from more than 400 companies.

In June, Bally became the first licensed as a provider of I-gaming products in Nevada.

"We're still in the mode where we're waiting and watching," Trask, the company's spokesman, said as he showed off a giant LED screen featuring the GoldenNuggetpoker.com website using its I-gaming technology.

"We're offering I-gaming technology to casinos as a play-for-fun poker run. The idea being that the platform ... is able to accommodate play for real-money poker, if and when it becomes legal."

Vegas-based South Point Poker received an online-poker license from the Nevada Gaming Control Board in August.

"If fortunate, we will be able to market and be able to be the first nationally to offer poker online," chief operating officer Lawrence Vaughan said. "Over time, as federal bills and state compacts are formed, there is an opportunity to expand. It will get there, but there is a lot of politics to get there."

---

Contact Suzette Parmley at 215-854-2855 or [sparmley@phillynews.com](mailto:sparmley@phillynews.com).