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Online poker bill coming soon to California

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By Vin Narayanan

MONTREAL -- California State Senator Roderick Wright announced Wednesday that he's drafting legislation that would license and regulate online poker in California. But he admitted that even if the bill is adopted, he has no idea when it would actually be implemented.

"It could take two to three years frankly," Wright said, referring to a potential legal battle over whether online poker violates compacts California has signed with Native American tribes regarding gambling in the state. "We could end up with a statute that ultimately ends up at the Supreme Court."

Wright, who was speaking at the Global iGaming Summit & Expo, indicated the bill was nearly complete and would be introduced soon. "We're playing with language right now" Wright said. "In fact, I've gotten 2-emails on it this morning."

"The first argument (we'll face) will be whether playing internet poker violates the compacts of those tribes," Wright added. "But there's not even unanimity within the tribes (on that)."

Leslie Lohse, chairwoman of California Tribal Business Alliance (CTBA), confirmed in an earlier session at GIGSE that her organization believes online poker violates the compacts Native American tribes have signed with the state. The compacts give the tribes exclusivity on "gaming devices."

"It is a breach of the compacts California signed with the tribes to offer gaming devices when that electronic device allows a player to connect to a system and place a bet. That includes a computer," Lohse said.

Lohse also noted that the state had not been successful at beating the tribes in court over compact issues.

"They're 0-2 with the tribes on their compacts," noted Lohse.

Lohse also said the issue of Internet poker has much more to do than just legal language in a

compact. Federal law concerning the economic development of tribes is very much at issue for the CTA.

"It is not federal policy to unravel the progress tribes have made," Lohse said.

"Before the United States rushes into legalizing online poker, it has to be asked ... will it help or hurt tribal economic development? Is the legislation in sync with federal policy in promoting tribal economic development?

"We are nations that are taking care of our people, that generate tax dollars through our gaming interests. CTBA has not taken an official position on federal gaming legislation. Consultation is the first step. CTBA does oppose state-by-state licensing and California's proposal."

"You will not get legalization in the United States by end-running the tribes," added Lohse. "We will not forget the treaties and understanding our ancestors preserved for us."

Wright, who spoke later in the day, indicated he believed that some common ground could be found.

"I think we can honor the compact and realize some revenue into the treasury," Wright said. But he also made it clear that doing nothing was a not an option, and described online poker as an asset that California needs to take advantage of.

"We need to create a platform from which the state creates a profit from an asset," Wright said. "An underperforming asset is not a good thing to have on your book... and if we don't take advantage of the asset, then somebody else will."

Wright's vision for online poker in California centers on competitiveness, and creating an environment for online poker operators to make money.

"I am the consummate shopper," said Wright. "I'm not a gambler. I need to provide a vehicle by which you (operators) can make money and I can get money (for the state)."

"At the end of the day, we have to provide a better service and security to move the California players back from offshore operators."

"If we try to just shut down offshore operators, we lose that fight," added Wright.

Wright also indicated his bill would allow all California gaming licensees to apply for online poker licenses.

"It will be non-discriminatory access, so if you qualify with our justice department, you can bid," Wright said.

It's estimated that Californians wager \$4 billion a year on online poker sites.