

Opinion: Pessimistic about online poker

By Richard N. Velotta, Las Vegas Sun

It was clear as the “fiscal cliff” deadline closed in on federal lawmakers last month that there was no way an online poker bill would reach the floor of the Senate for a vote.

It was a disappointing way to end the year for millions of poker players who believed there was a slim chance for Congress to act on legislation that most Nevadans believe is a no-brainer to legalize an activity that already occurs and could provide badly needed revenue for federal coffers.

Don't worry, some say. The feds will act when state lawmakers take matters into their own hands and begin approving play through a patchwork of regulations from state to state.

After sitting through several sessions organized by the National Council of Legislators from Gaming States last week at the Rio, I'm not so sure even that will happen.

Because gaming is all around us in Las Vegas, it's easy to develop a false sense of security that neighboring states understand the industry and want to see online poker play as badly as we do. Based on conversations during the three-day conference, it appears that isn't the case.

Many believe that now that Arizona Sen. Jon Kyl has retired, Majority Leader Harry Reid needs a new Republican sidekick to push federal legislation through. If that turns out to be Sen. Dean Heller, any bill proposed immediately would be perceived as beneficial to Nevada and possibly detrimental to other states, lawmakers at the conference said.

The council opposes federal legislation. They say the Reid-Kyl

bill “would create an unnecessary federal gaming licensing regime and bifurcate authority over regulation of gaming and ... put at risk critical revenues derived from state-regulated gaming.”

Directors of several state lottery organizations oppose it, too, and the governors of Idaho, Maryland, Rhode Island and Utah, along with the treasurer of Massachusetts, have written letters of opposition. (Gov. Brian Sandoval wrote a letter of support.) The lottery directors are irritated that the bill wouldn't give them the same legislative benefits as operators of online poker.

Several Indian tribes also oppose federal and state oversight, saying their sovereign nation status would supersede regulation.

Meanwhile, the Nevada Legislature, which opens next month, will likely debate state legislation to allow the governor to negotiate compacts with other states that have legalized online poker and broaden the marketplace across state lines. That group could include New Jersey, which has a bill awaiting the signature of Gov. Chris Christie, and California, which is retooling its online poker proposals.

Passage of that legislation would almost certainly attract the attention of the federal Justice Department. Maybe that's the strategy – a play to force the feds to move.

There's still a strong contingent that doesn't want Internet gambling approved. A Fairleigh Dickinson University study found that 67 percent of Americans want Internet gambling to remain illegal.

On top of that, Frank Fahrenkopf, one of the strongest lobbying voices for the gaming industry, announced this month he will step down as CEO of the American Gaming Association later this year.

It's looking more and more like online poker proponents are going to have to fold.