

Interstate play is key to the

A bill that would authorize Atlantic City casinos to offer poker and other casino games on the Internet to players within New Jersey has been passed by the Legislature and is on Gov. Chris Christie's desk. The governor has 45 days from passage to sign it, veto it, or do nothing, in which case the bill will become law automatically.

At this point, the arguments in favor of the bill have been rehashed many times and are compelling. First, given the steep drop in Atlantic City's profits caused by competition from surrounding states — and the corresponding decrease in state tax revenues — anything that can stimulate our casino business seems worth a try.

Second, my experience as a former director of the New Jersey Division of Gaming Enforcement showed me that casino gaming can be well-regulated and safe if it is properly controlled by a capable and efficient regulatory body. My later experience in the online gaming

world has taught me that Internet gaming can be regulated as well, if not better, than casino gaming, given the electronic trail of all transactions and the ability to monitor in real time.

Age verification and geo-location software have also become widely available and are very effective.

Finally, just as when casino gaming was initially authorized, New Jersey has a chance to become a leader, only this time in the field of Internet gaming regulation. Already, Nevada has a statute and regulations in place for Internet gaming, and other states — including California — are in the process as well.



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It would be a shame if one of the premier states for casino regulation were to cede its existing head start and become an "also-ran" in the race to Internet gaming authorization and regulation.

To my mind, then, enactment of the Internet gaming bill now should be a given. The point of this article is that, once the bill is enacted, New

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success of Internet gambling

Jersey still needs to do even more to ensure its success.

As one example, it is well accepted that to be profitable, Internet poker requires a large pool of players. This is known as "liquidity." By itself, New Jersey is too small to provide a sufficient player base.

Recognizing the same problem, Nevada is now considering a bill that would allow Nevada's governor to enter agreements with other states that legalize Internet poker. Such interstate gaming compacts would allow Nevada-based Internet poker websites to accept bets from gamblers in states with similar interactive gaming laws, thus increasing the size of the potential player pool.

The New Jersey Internet gaming bill does allow for the acceptance of bets from out-of-state players if "such wagering is conducted pursuant to an interstate compact to which this State is a party that is not inconsistent with federal law." But no mechanism is provided by which such an interstate compacts may be

entered into.

The issue of interstate compacts should be addressed quickly, and not just for poker. Imagine multistate online casino games with large jackpots. Imagine the use and involvement of social media. Multistate lotteries exist already and work very successfully. Why not gaming?

Because of our late start as a country, and the previous hostility of the U.S. Justice Department, the United States and individual states are late arrivals to the online gaming party. Internet gaming is still in its infancy here, so the sky is the limit. But to maintain its status as a leading gaming regulatory jurisdiction, New Jersey must move ahead unreservedly and plan for the future.

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