

Gambling exec: Online regulations unlikely in 2012

2 October 2012, by Ken Ritter

(AP)—It doesn't look like Congress will pass Internet gambling regulatory laws this year, the head of the industry's main lobbying group said Tuesday, as he cast online wagering hosted by sites overseas as one of the biggest threats to the casino industry in the United States.

American Gaming Association chief Frank Fahrenkopf Jr. called online gambling "the next frontier of our business," but told reporters in Las Vegas that passing a measure such as one backed by Senate Democratic Majority Leader Harry Reid of Nevada and Republican Sen. Jon Kyl of Arizona would need quick action during the post-election congressional session.

"We will need plenty of hard work and a little [gambler's](#) luck to see a federal bill pass this year," Fahrenkopf said during his annual state-of-the-industry media briefing at the Global Gaming Expo. "Obviously, nothing is going to happen before the election. That means a lame duck (session) is our last chance."

Fahrenkopf, a former Republican party national chairman, said about 85 countries have legalized online gambling, and some estimates say almost \$35 billion is being bet worldwide online each year, including many millions by people in the U.S.

"These are numbers generated with only minor participation by players in the U.S.," Fahrenkopf said, citing figures from an industry researcher, H2 Gaming Capital.

That compares with gross commercial gambling revenues in the U.S. of some \$35.6 billion for all of 2011.

Meanwhile, casino revenues have increased this year in 18 of the 21 states that allow commercial gambling, Fahrenkopf said, and new casinos are opening in several jurisdictions. The figures don't include American Indian tribal gambling.

No matter which party wins the U.S. elections on Nov. 6, Fahrenkopf promised his association will keep lobbying Congress to create a [legal framework](#) for regulating online poker. Otherwise, he said, states will adopt a patchwork of rules and regulations that will make oversight difficult and put customers at risk.

"No matter what Congress does, based on the growth trends ... and the actions of the various states, it's no longer a matter of if online gambling will be legalized in the U.S., but when, where and how."

Nevada and Delaware began taking steps to allow online betting after the U.S. Justice Department last December narrowed the application of the federal Interstate Wire Act of 1961 only to sports wagering. Several casinos have been licensed in Nevada to offer online poker to residents within the state. Meanwhile, Illinois has begun selling lottery tickets online.

"We know there will be more states to come," Fahrenkopf said, including California and New Jersey.

Fahrenkopf said gambling revenues are up about 5.4 percent so far this year at brick-and-mortar casinos in the U.S, and more when revenues from two new casinos that opened in 2012 in Ohio are included.

Massachusetts is developing a regulatory structure for gambling, he said, and new properties are opening in other states, including Illinois. Voters in Oregon, Rhode Island and Maryland will decide [gambling](#) initiatives Nov. 6.

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APA citation: Gambling exec: Online regulations unlikely in 2012 (2012, October 2) retrieved 14 May 2021 from <https://phys.org/news/2012-10-gambling-exec-online.html>

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