

**TALKING POINTS FOR THE INTERNET POKER AND GAMES OF SKILL
REGULATION, CONSUMER PROTECTION, AND ENFORCEMENT ACT OF
2009 INTRODUCED BY SENATOR ROBERT MENENDEZ (D-NJ)**

TopLine Messages

Protecting Consumers through Better Regulation

- Millions of Americans play online poker every day.
- Poker has exploded onto the national stage. You can watch poker on several different television networks, including NBC, ESPN and the Travel Network.
- Implementing sound regulation means that law-abiding citizens won't get caught up playing poker with organizations that are not regulated and not accountable.
- The current system has to change. Law-abiding citizens need to know that they can be protected from unscrupulous operators.

The benefits of the Internet Poker and Games of Skill Regulation, Consumer Protection, and Enforcement Act of 2009 are numerous

- According to a recent economic study, tax revenue from licensing will add billions to the U.S. Treasury.
 - Law-abiding citizens will have the peace of mind that they are playing in games and on websites that are honest with the creation of a registry of unlicensed online gambling operators.
 - Regulation will keep under-age and compulsive gamblers out of the games, and funding will be provided for problem gambling assistance programs.
 - There will be much needed clarity in Federal law as to what constitutes unlawful Internet gambling.
 - The bill will provide enhanced enforcement against those who choose to engage in illegal Internet gambling, or who operate outside the licensing system.
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General Talking Points

The U.S. has a responsibility to protect consumers who play online

- Currently, companies that offer Internet poker are licensed, regulated and taxed in their home country jurisdictions. However, to date, the United States has failed to exercise oversight and control of Internet gaming even though the U.S. represents the largest percentage of Internet poker players worldwide.
- The millions of Americans who play Internet games of skill will benefit greatly from the additional protections U.S. regulation can provide. Moreover, licensing and regulation will help guarantee the proper safeguards for our nation's most vulnerable populations.
- The bill requires the creation of a registry of online gambling organizations that are operating but not licensed by the United States in order to strengthen the enforcement of truly unlawful gambling.
- Additionally, the bill will establish dedicated funding to establish and implement programs for prevention and treatment of problem gambling.

Current U.S. policy fails to protect Americans and provides no industry oversight

- The Unlawful Internet Gambling Enforcement Act (UIGEA) signed into law as part of the 2006 Safe Ports Act (Pub.L. 109-347) does nothing to prevent underage gambling or protect problem gamblers. Moreover, it fails to protect the millions of responsible American men and women who continue to enjoy Internet poker from the few "bad actors" who choose to sacrifice their customers' trust for short-term gain.
- The bill will provide these necessary consumer protections and industry oversight, as well as proper means to investigate allegations, administer due process and then apply appropriate penalties for the wrongdoers and recourse for the consumer.

Federal Internet gambling laws are unclear and, many times, conflicting.

- UIGEA refers to "unlawful Internet gambling" but offers no definition of what constitutes "unlawful Internet gambling."
- Laws governing gambling tend to be decades-old and geographically focused; they do not readily translate to the Internet era. As a result, federal courts and federal agencies have conflicting interpretations of what Internet gaming is and isn't legal.
- Through the registry of unlicensed operators, Senator Menendez's legislation would identify truly unlawful gambling and thus aid law enforcement officials in enforcing existing law.

- The bill would bring needed clarity to online gambling law with respect to poker and other peer-to-peer games played on the Internet. In addition, it would clarify once and for all licensed Internet horse betting operations are legal -- something Congress sought to do nine years ago, but which the DOJ never recognized.

Tremendous state and federal revenue can be realized through regulation of Internet poker

- Conservative estimates have shown that billions of dollars in federal and state revenue can be raised by licensing and regulating Internet poker.
- This is not a new tax on consumers, rather, regulation would provide the framework in which taxes on poker winnings can be properly reported and collected. In large part these taxes are not being collected today.
- Moreover, there would be the collection of corporate taxes by the companies that own and operate these Web sites, which is now only collected by other countries which regulate Internet gaming.

This is not an expansion of gambling in the United States

- This legislation would implement responsible government control and oversight over Internet poker in order to protect consumers. By no means does the bill endorse or expand Internet gaming.
- Outright prohibitions will not address the concerns raised over online gambling. Internet poker is an established form of recreation for millions of Americans. While some might like to eliminate the industry, the Genie cannot be put back into the bottle. The real question is whether the federal government wants to have a say in how Americans can play this great American pastime.
- Solutions like Senator Menendez's bill provide the most rationale approach to controlling this industry and preserving it for adults who chose to engage in this skillful activity.