



Talking Points on Poker and Online Poker in America

Poker is a game of skill

Playing around a kitchen table or in cyberspace, the same talents and skills required to win at poker hold true. Observing betting patterns and watching when players fold are just as critical when playing poker over the Internet as when playing in person.

In addition, since poker is not a "house game" like blackjack and others, the game requires players to compete against other players. This characteristic is true whether someone is playing online or offline.

Poker is a game with a predominance of skill. Like chess, poker is a "thinking man's" game which relies on mathematics, psychology and money management.

Billions of tax revenue is being lost.

According to an economic analysis, 3.3 billion in federal tax revenue and addition 1 billion in state tax revenue could be raised if the federal government were to regulate Internet poker.

Poker is a source of charity.

In 2006, millions of dollars were raised for local and national charities through poker tournaments. One event in D.C. featuring 15 Members of Congress raised more than \$288,000 to fight cancer.

Poker is one of the great American pastimes.

The game has been enjoyed by presidents, generals, Supreme Court Justices, Members of Congress and average Americans for more than 150 years.

Playing Poker Online Is Simply an American Tradition Evolving into the 21st Century

Americans have played poker throughout history. Playing poker on the Internet is simply an example of an American tradition evolving into the 21st century. It is unfathomable that poker, an American pastime and game of true skill, should be banned for the millions who enjoy playing responsibly.

75 percent of Americans oppose banning online poker.

According to national polling, a vast majority of Americans oppose federal efforts to ban online poker.

Online Poker can be safe and regulated.

Appropriate federal regulation can ensure that minors are kept out of sites, services are provided to problem gamblers and the proper taxes are collected. The current system does nothing to protect children, problem gamblers and it is allowing billions in tax revenue to go overseas.

Online Poker vs. Online Horse Racing Betting?

If Congress allows me to bet on horses and state lotteries online, why can't I play a skill game like poker with other consenting adults?

Prohibitions don't work.

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Talking Points on UIGEA (Unlawful Internet Gambling Enforcement Act):

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The UIGEA does nothing for effectively addressing:

Money laundering

The UIGEA forces law enforcement and financial institutions to redirect resources on blocking poker player's financial transactions instead of tracking down terrorist financing. This creates an even larger hurdle for law enforcement to police for potential money laundering. **The UIGEA does not help track down terrorist financing.**

Children

The best way to keep children from accessing online gaming Web sites is to strictly require that all operators employ the best in class age-verification software. This can only be done through a licensing approval process and regulation. **The UIGEA does not use the best way to prevent underage gambling and protect children.**

Problem gamblers

The problem gambler perhaps is hurt most by the prohibition. Sadly, these people will continue to gamble and will become prey to unscrupulous operators that will work outside of the law. **The UIGEA does not try to help problem gamblers.**

The UIGEA does:

Lose Money for the U.S.

Billions of tax revenue is being lost. According to an economic analysis, 3.3 billion in federal tax revenue and addition 1 billion in state tax revenue could be raised if the federal government were to regulate Internet poker. This tax revenue made from American players is going off to other countries.

Allow Other Kinds of Internet Gambling

The UIGEA allows people **to gamble online for horse races and state lotteries**, but not for poker. Why can't I play a skill game like poker with other consenting adults?

Quote from UIGEA:

(D) INTERSTATE HORSERACING-

(i) IN GENERAL- The term 'unlawful Internet gambling' shall not include any activity that is allowed under the Interstate Horseracing Act of 1978 (15 U.S.C. 3001 et seq.).



Talking Points on HR 2610, The Skill Game Protection Act

UIGEA Unfairly Targets Games of Skill and Competition Amongst Individuals

The UIGEA unfairly targets skill games such as poker, chess, bridge, and mah jong by not providing the same protections as those provided to horse racing, lotteries and fantasy sports.

Against Players vs. Against the House

In addition to being games of skill, poker, chess, bridge and mah jong are true competitions among individuals where multiple people play against each other and not the "house" or Web site operator. The law should be revised so that it does not arbitrarily prohibit games of skill.

Poker Home games vs. Online Poker Games

There is no reason why the law should treat the Friday night poker game that folks play around their kitchen tables any different than the poker game that individuals play against others online.

The Wexler Plan Clarifies Existing Law, Provides Rightful Protections for Skill Games

Congressman's Wexler plan clarifies existing law by rightfully providing the same treatment to poker and other games of skill that horse racing and lotteries receive under the UIGEA.

Equally as important, Congressman Wexler's bill clarifies the outdated Wire Act of 1961 by codifying the U.S. Court of Appeals for the 5th Circuit ruling in November 2002, known as "MasterCard Re:" which says the law is limited to "gambling on sporting events or contests." Thusly preserving the intent of the law to only disallow sports wagering, not games of skill.

Congressman Wexler believes that this clarification is necessary. Recognizing poker as a game of skill and as a game that involves true competition of player versus player would provide millions of American poker players with much-needed protections.

HR 2610 on Children, Problem Gamblers, Money Laundering

The legislation requires Web sites to use the most technologically advanced age verification procedures and abide by monetary controls to detect and stop money laundering activities.

Poker is a game of skill

Few people dispute the fact that the game involves mathematics, psychology, observation and money management. Numerous authors and academics have drawn analogies between poker and other endeavors that involve strategic thinking. Von Neumann and Morgenthaler used analysis of the game of Poker in their seminal book on game theory, "Theory of Games and Economic Behavior" as a method of modeling decision-making under incomplete information.

Two easy ways to distinguish a game predominately of skill from a game of pure chance:

1. Ask yourself, "Who are the top players of this game in the world?" You can easily name the top five or ten poker players in the world and chess aficionados can list their top three. Try naming the best bingo or roulette players—it's not possible as skill does not bear out over time.
2. Who wins at the game over time? In a match of true intellect like poker, a skilled player will always win—over time—against a "lucky" player. But with games like bingo and roulette a skilled player and a non-skilled player have the exact same likelihood of winning or losing.



Talking Points on HR 2046 The Internet Gambling Regulation And Enforcement Act

Chairman Frank's Plan Offers a More Sensible Solution than an Outright Ban

HR 2046 addresses all of the intended concerns of the UIGEA (minors, problem gambling, and money laundering) while providing a better alternative than an outright ban.

By creating a licensing and regulating mechanism that sorts out the legitimate, law-abiding sites from those engaged in unscrupulous activities and practices, the plan protects minors and problem gamblers while allowing the majority of adults to play poker and other games online.

We've seen how prohibitions don't work, but meaningful regulation of online poker will. It will produce positive outcomes for the players, the protection of children, the economy, the tax payer and society in general.

New Technology Makes Licensing and Regulation Possible

The age verification technology tools that exist today to keep kids off of poker sites were non-existent even a decade ago. The industry has come a long way since then, and now is the time to license and regulate operators and allow U.S. poker sites to compete with off-shore ones.

Example:

The United Kingdom successfully regulates its poker industry. In fact, Internet gambling is now regulated in over 80 countries and jurisdictions. We should follow the lead of the UK for the best public policy approach for this industry.