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## Pennsylvania must approve online gaming to help budget

By John Pappas

Unless you were looking closely, you probably missed the recent news that gambling revenue in Atlantic City increased last year for the first time in a decade.

According to the chairman of the New Jersey Casino Control Commission, current operators increased revenue from slots and table games by 2.1 percent, while online gaming revenues shot up by 32.1 percent — accounting for nearly \$200 million just from online.

The news should be a wake-up call to Pennsylvania legislators concerned about a more than \$600 million budget shortfall and the long-term competitiveness of the commonwealth's gaming industry. It should also put the final nail in the coffin for the repeatedly debunked argument that somehow online gaming will cannibalize brick-and-mortar casinos. It doesn't. End of story.

Last summer, the General Assembly and Gov. Wolf passed a budget that included \$100 million in tax revenue from online gaming license fees. That's \$100 million the state could use as funding for education, job training, fighting the opioid epidemic, or paying salaries at the state Department of Labor — which recently laid people off because of a lack of funding.

Regrettably, the state has failed to pass the legislation needed to regulate online gaming in Pennsylvania, leaving all of that money on the table. The decision — influenced by special interests and election-year politics — nullified the commonwealth's ability to help fund key programs for families, seniors, veterans, and more.

The state can no longer afford to turn its back on this revenue — and its taxpayers. It's time to get down to business and pass an online gaming bill now.

Action is even more urgent given that Pennsylvania's casinos are subject to the same struggles encountered by New Jersey. Last year, half



A game of Pal Gow on a computer screen in Atlantic City. WAYNE PARRY / AP

of Pennsylvania's casinos lost money when compared with 2015. In other words, inaction is allowing New Jersey to regain ground lost to Pennsylvania over the last decade or so.

When online gaming was enacted in New Jersey, there was no yardstick to measure success by. No populous state had ever launched online gaming. Now, with the initial kinks worked out and the market up-and-running at full speed, New Jersey is proving to be a tremendous success.

With the lessons from New Jersey learned, Pennsylvania can easily avoid start-up issues like time-consuming and onerous registration processes, geolocation technology that often-generated false positives, difficulty getting transactions approved, and no mobile platforms.

That means the industry could hit its stride more easily in the commonwealth, with new and more revenue being generated at a much faster rate. That's good news for Pennsylvania taxpayers and our economy.

What must not be overshadowed

in a debate about dollars and cents is the importance of consumer protections that regulated online gaming would bring. While Pennsylvania delays action, a black market that harms and takes advantage of consumers will continue to exist. Last October, another off-shore site shut down. Because there is no oversight in Pennsylvania, there is nothing affected players can do to hold sites accountable or get their money back.

Pennsylvania's budget problems will continue to compound annually. No, tax revenue from online gaming alone will not change that. But it will help fill part of the \$600 million deficit and it will provide a steady and increasing source of revenue for decades to come.

If Pennsylvania wants to re-imagine government, online gaming is one way to make it happen. Regulating online gaming is a win-win. The commonwealth must act now.

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