

PRESIDENT

Representative James W. "Jim" Waldman
District 96 - 4800 West Copans Road
Coconut Creek, FL 33063
T: 954-956-5600 F: 954-956-5602

NATIONAL OFFICE
385 Jordan Road
Troy, NY 12180
(518) 687-0615 PHONE
(518) 687-0401 FAX

REQUEST FOR PUBLIC COMMENT ON THE DEVELOPMENT OF AN INTERSTATE POLICY FRAMEWORK FOR THE REGULATION OF INTERNET GAMING

DECEMBER 6, 2013

SUMMARY

Recognizing both the threats and opportunities posed by Internet gaming and new technologies, the National Council of Legislators from Gaming States (NCLGS), in collaboration with University of Nevada, Las Vegas International Gaming Institute, is considering the formation of uniform policy standards for the regulation of Internet gaming.

NCLGS believes an effective regulatory and licensing system for states wishing to participate in online gaming should increase public trust and confidence in legalized gaming, inhibit wagering by underage or otherwise vulnerable individuals, ensure that any games offered through the Internet are fair and safe, contain enforceable restrictions on unlicensed online gaming operators, and create jobs and economic development.

In furtherance of this, NCLGS is requesting public input to help with the drafting of an interstate policy framework for the regulation of Internet gaming. The framework will provide a model for policymakers considering enacting Internet gaming legislation within their respective states, as well as, interstate Internet gaming initiatives.

Key Legislative Priorities

- foster effective regulation and cooperation among states
- promote strong, stable, and diverse state economies
- protect both states that wish to participate in Internet gaming and those who do not
- facilitate cooperation and information exchange among state policymakers and gaming regulators
- support uniformity in Internet gaming legislation while protecting states' rights to regulate gaming within their respective states
- establish minimum "benchmark" requirements for states that wish to adopt Internet gaming
- support the establishment of strong consumer protection and responsible gaming standards
- research differing proposals and views regarding taxation and revenue sharing for interstate online gaming
- explore differing views on appropriate regulatory models and structures for Internet gaming

Tentative Timeline

DATE	ACTIVITY
December 6, 2013	Open request for public comment period
January 10-12, 2014	NCLGS Winter Meeting (Florida)
January 31, 2014	Deadline for receipt of comments
February 1-May 1, 2014	Working group comment review period
On or before May 1, 2014	Release of draft policy standards
June 6-8, 2014	NCLGS Summer Meeting (California)

QUESTIONS FOR COMMENT

NCLGS is seeking public input on the following specified issues, however, comments addressing other issues not included here are welcome. In addition, comments addressing some but not all of the issues will be accepted. Please feel free to include sample legislative language, if you wish, where it would be responsive to the questions below. NCLGS may seek further rounds of public comments in the future.

1. Does your group, entity, government, or regulatory body support, oppose, or remain neutral on the legalization of Internet gaming, in whole or in part, and if so why?
2. What types and forms of gaming (casino-style games, peer-to-peer poker, lottery games, etc.) does your group, entity, government, or regulatory body believe should be permitted or restricted for play over the Internet on an intrastate and/or interstate basis, and why? *[Please do not address wagering on sporting events.]*
3. What issues (uniform technological standards, problem gambling protections, legal compliance, etc.) are a priority for your group, entity, government, or regulatory body in any future multi-jurisdictional Internet gaming agreement, and why? *[Please list in order of most to least important.]*
4. If states, and potentially other governmental entities, seek to enter into multi-jurisdictional Internet gaming agreements or compacts, what federal legal concerns does your group, entity, government, or regulatory body have, including but not limited to, compliance with the U.S. Constitution, the Unlawful Internet Gambling Enforcement Act, 31 U.S.C. §5361 et seq., the Indian Gaming Regulatory Act, 25 U.S.C. §2701 et seq., and the Illegal Gambling Business Act, 18 U.S.C. §1955?
5. What are the best and worst regulatory models for intrastate Internet gaming, and why? *[Please indicate if (a) there are multiple models that your group, entity, government, or regulatory body support; (b) if there are regulatory models that your group, entity, government, or regulatory body do not support;; and (c) if there should be differing regulatory models depending on the gaming product being offered.]*
6. What are the best and worst regulatory models for interstate Internet gaming, and why? *[Please indicate if (a) there are multiple models that your group, entity, government, or regulatory body support; (b) if there are regulatory models that your group, entity, government, or regulatory body do not support; (c) if there should be differing regulatory models depending on the gaming product being offered; and (d) if there are particular models that are better or worse depending on the size and experience of any jurisdiction that wishes to participate in Internet gaming.]*
7. If states, and potentially other governmental entities, seek to enter into multi-jurisdictional agreements or compacts, what are some potential legal impediments in current and proposed state laws (restrictions on server location and/or bet location, differing suitability determinations, etc.), and how could such issues be addressed in any multi-jurisdictional agreements?
8. What suggestion or recommendations does your group, entity, government, or regulatory body have regarding the appropriate balance of legislative authority and regulatory authority required to effectively regulating Internet gaming on both an intrastate and interstate basis?
9. What suggestions or recommendations does your group, entity, government, or regulatory body have regarding the inclusion of bad actor clauses (i.e. clauses prohibiting or limiting market access by certain companies, individuals, and/or assets based on past actions) in any intrastate Internet gaming legislation or any interstate Internet gaming agreement?

10. What suggestions or recommendations does your group, entity, government, or regulatory body have regarding how any Internet gaming legislation should be structured to appropriately account for future technological innovations and advances?
11. What suggestions or recommendations does your group, entity, government, or regulatory body have regarding the inclusion of problem gambling protections in any intrastate Internet gaming legislation or any interstate Internet gaming agreement?
12. What suggestions or recommendations does your group, entity, government, or regulatory body have regarding the inclusion of geo-location, age verification, and identity verification, in any intrastate Internet gaming legislation or any interstate Internet gaming agreement?

PROCEDURE FOR SUBMITTING COMMENTS

Please send submissions via email to Ms. Jennifer M. Webb, Esq., NCLGS Director of Legislative Affairs, at jwebb@nclgs.org. All submissions must be received by midnight on Friday, January 31, 2014. Should you have any questions please contact Ms. Webb via email or at (202) 220-3014.

Comments sought in connection with the formation of Internet gaming standards are for information purposes only and participation by any group, entity, government, or regulatory body is not to be construed as reflecting the policies of any particular state. Some states do not wish to license Internet gaming providers or allow services to be provided to their residents.

All submissions are public, non-public information, proprietary data, or information that any group, entity, government, or regulatory body does not wish to make public should not be submitted.

NCLGS is the only non-partisan organization of state lawmakers that meets on a regular basis to discuss issues in regard to gaming. NCLGS does not support or oppose gaming, but supports effective regulation and believes that decisions related to gaming should be made by the citizens of the individual states and their elected officials. More information is available at www.nclgs.org.