

Testimony before U.S. Senate Committee on Indian Affairs

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Thank you for this opportunity to address the committee on this important matter. We believe that the goal of providing equal access to the opportunities afforded by Internet wagering can be advanced if gaming policies in the United States are coordinated. Indeed, we believe that the existing policies regarding brick-and-mortar casinos be coordinated with the proposed policies regarding Internet wagering if you seek to maximize the benefit.

I have spent significant time in recent months meeting with Native American leaders both in Washington and throughout the United States. The common question I hear is: What will Internet gaming mean for our Indian nation, our casinos, our future?

I suggest that, with the politics of this issue in such a state of flux, such a question is impossible to answer with any degree of certainty. A more relevant question, then, is: What should Internet gaming mean for our Indian nation, our casinos, our future?

That question is more easily addressed because we know the business model that most Indian and commercial casinos follow, and we know the potential of Internet gaming.

Internet gaming represents a significant revenue stream for government. What is less readily apparent is that Internet gaming also represents a significant marketing opportunity for Indian casinos. Internet gaming offers the ability to reach customers easily and at low cost, to identify customers' potential, and to cultivate customers and reward them through the ability to earn visits at their brick-and-mortar casinos.

If Internet gaming is allowed to develop as simply a revenue stream, then I suggest the United States has squandered a once-in-a-century opportunity.

In Europe, for example, Internet gaming has developed largely as an independent revenue stream. The European model, however, has limited applicability in the United States, largely because Europe does not have anything close to the brick-and-mortar gaming-industry infrastructure that has developed throughout the United States.

Hundreds of billions of dollars have already been invested in casinos across the country – both commercial and Native American operations - in part because authorizing governments sought to create more than tax revenues. They sought to create jobs, to invigorate downtowns, to spur tourism, and to assist many Indian nations in developing sustainable business models to create career opportunities for their members and their communities.



Those goals assume that gaming and non-gaming adults alike will generate real, not virtual, visits to casinos. That is how you generate employment, and how you generate sufficient returns on all that invested capital.

The sub-title of this hearing is “Equal Access to E-Commerce, Jobs and the Global Marketplace.” From a public-policy standpoint, I respectfully suggest that this committee recognize the advantages of “unequal access.”

We assume that effective regulatory and licensing requirements will be part of any legislative package, whether at the federal or state level. We assume that sufficient controls will be required to address issues such as underage gambling or problem gambling. I respectfully suggest adding another assumption: Existing and future operators of Indian and commercial casinos should be among the primary beneficiaries of Internet wagering if you seek to maximize the benefits of Internet wagering.

Congress lacks the power to ensure that all providers of legal Internet wagering will benefit equally, or even that all providers will benefit at all. I am simply suggesting that the existing policies regarding brick-and-mortar casinos be coordinated with the proposed policies regarding Internet wagering if you seek to reach your stated policy goals.

Thank you again for this opportunity.

