

WASHINGTON -- The subject is dicey, the stakes are high and the clock is ticking, but U.S. lawmakers are still hopeful they can move to legalize online poker by the year's end.

"Internet poker isn't a crime, it is a game of skill and it shouldn't be outlawed," said Rep. Joe Barton, R-Texas.

His bill would establish a program overseen by the Department of Commerce for state licensing of Internet poker. Barton says it gives states power to decide whether or not to allow Internet poker within their borders and a share of any revenue generated.

Another bill make the Secretary of the Treasury responsible for the licensing of Internet gambling activities. Both bills are currently languishing in committee in the House.

"My bill is needed now more than ever. It creates one federal standard that protects the integrity of the game and the financial interests of players -- while protecting American consumers from nefarious and predatory overseas gambling operations," Barton said.

But his staff admit "time is not working in our favor". No further hearings have been set yet -- the last House hearings were held in October and November last year.

"If Congress doesn't act soon we could end up with fractured rules and regulations that vary state to state, leaving more opportunity for fraud and fewer safeguards for players," Barton said.

This is something echoed by John Pappas, executive director of the Poker Players Alliance.

"The more the states continue to move forward with this, the harder it will be for the federal government to step in," he said.

Pappas notes many states are already moving to institute their own rules -- such as Delaware, which legalized online casino gambling last month -- and if the federal government isn't careful they could be shut out.

"If the feds don't act to provide federal oversight of these issues, the states will act," Pappas said.

The alliance is helping to build support for Barton's bill in the House. Pappas said it is the more likely of the two to move because it deals with online poker rather than an all-encompassing Internet gaming bill.

"The opponents of Internet gaming ironically should be supporting Mr. Barton's bill I believe that will be the best way to limit Internet gaming expansion," he said.

A spokesman for Rep. Mary Bono Mack, R-Calif., who convened the hearings on Internet gaming as chairwoman of the House Subcommittee on Commerce, Manufacturing, and Trade, said there is "no consensus for moving forward with online poker".

But Barton said the sentiment to legalize internet gaming exists in Congress, with support from both parties and in both chambers.

"I am confident this issue will be voted on by the House and Senate in this session," he said.

The broader bill, introduced by **Rep. John Campbell, R-Calif.**, looks even less likely to garner enough support to move out of the committee.

Campbell's communications director, Chris Bognanno, said while there was much bipartisan support, including from outside Congress, it would be unlikely to see a result in an election year.

He said a lame-duck session result was possible, but next year was more likely.

"It's just tough right now to get this kind of thing through," he said.

However **Campbell's** bill has found favor with the Safe and Secure Internet Gambling Initiative, a self-described "leading advocate for Internet gambling regulation".

Spokesman Michael Waxman argued for the potential economic benefit -- the growth of a new industry and increased tax revenue at a state and federal level.

H2 Gambling Capital -- which collects data on the global gambling industry -- forecast a federally regulated U.S. online poker market would be worth more than \$6.9 billion after three years, growing to \$9.5 billion by the fifth year. This assumes all states opt-in, which is unlikely.

Waxman said it was important "to give Americans the freedom to gamble online in a protected environment."

"Gambling is an issue that people have a reaction to. There's some who don't like gambling for moral reasons," he said. "(But) whether you like gambling or not it's the best way to protect consumers is to take control of the activity."

Keith Whyte, executive director of the National Council on Problem Gambling, believes it is "extraordinarily unlikely" that a bill will pass this year, the 10th year he says legislation has been proposed on this issue. He points to "dysfunction in Congress" as well as distractions during an election year and the "significant risk" for both parties that supporting legalization might entail.

"Americans are fundamentally schizophrenic on gambling. We love to gamble but we don't approve of it," Whyte said. He said for many Americans gambling is analogous with drugs or prostitution.

The National Indian Gaming Association, which represents 184 different tribes, does not support either bill.

NIGA and its member tribes have agreed upon six principles to protect tribal sovereignty, for which their support is contingent, said Danielle Her Many Horses, the organization's Deputy Executive Director.

These include that tribal revenues must not be subject to tax and that the legislation must not open up the Indian Gaming Regulatory Act to amendment.

"What's most important is maintaining tribal sovereignty," she said.

Bono Mack's spokesman also cited tribal issues which "have not been sufficiently addressed" as another reason for the bill's delay in the committee.

The American Gaming Association, which represents the commercial casino industry on issues such as online poker and off-reservation gaming, would not comment on the bills or the issues.