

Lift the Harmful, Failing Federal Ban on Sports Betting

BY GEOFF FREEMAN, PRESIDENT AND CEO OF THE AMERICAN GAMING ASSOCIATION (AGA)

Before the New England Patriots and Atlanta Falcons even take the field for Super Bowl LI, the action will have long since commenced. Nearly 50 million Americans are scurrying to place their bets before kickoff, and wagers on the NFL's grand finale will total an estimated \$4.7 billion—but only a little over \$100 million of that legally in Nevada.

It's clear that sports betting has never been more popular. Nevada's legal, regulated sports books are breaking records. TV and sports radio coverage feature talk of betting lines as much as of starting lineups. Daily fantasy sports have exploded onto the scene.

Thanks to a 25-year-old federal ban, though, nearly every bet is placed illegally. But a perfect storm of events could soon change this. First, illegal betting continues to grow, making clear the ban isn't working. Instead, it's pushing betting into the shadows, where at least \$150 billion is wagered annually without any consumer or game protections. It's also depriving state and local governments of tax revenue that could be paying for vital public services, such as infrastructure, education and law enforcement. And the ability to protect the integrity of games through rigorous data analysis and complex, real-time algorithms – something not fathomable in 1992—is only possible in markets where sports wagering is effectively regulated.

The culprit of the ban is the Professional and Amateur Sports Protection Act, or PASPA, which permits only Nevada to offer full-fledged, traditional sports betting. President George H.W. Bush signed the ban into law in 1992. The following year, a prominent Atlantic City casino owner advocated for permitting New Jersey to offer sports betting. "You have to be in favor of it," he said. "It is vital to keeping your taxes low, it's vital to the senior citizens, and it's vital to putting the bookies out of business."

That casino owner is now the President of the United States.

President Trump reiterated his views on sports betting and the massive illegal market that continues to grow in an interview with FOX Sports in November 2015. "I'm OK with [sports betting and daily fantasy sports] because it's happening anyway. Whether you have [legalized sports betting] or you don't have it, you have it."

In addition to the President's perspective, the United States Supreme Court has expressed an interest in potential constitutional problems the federal ban poses. In January, the Court asked the act-

SUPER BOWL 51 BY THE NUMBERS

\$4.7B	TOTAL SUPER BOWL BETS
\$132M	LEGAL BETS PLACED IN NEVADA
\$4.5B	ILLEGAL BETS PLACED EVERYWHERE ELSE
97%	% OF ALL BETS PLACED ILLEGALLY
+11%	INCREASE IN TOTAL SUPER BOWL BETS FROM PREVIOUS YEAR



ing solicitor general to submit a brief on the appeal filed by New Jersey, and it could grant cert later this year.

Then there's Congress. As casino gaming has become a mainstream, omnipresent industry that operates in 40 states instead of just a few, more and more members of Congress represent districts in which their constituents work in a casino and their communities benefit from millions of dollars of tax revenue from gaming. Plus, as the highly regarded, bipartisan polling tandem of Mark Mellman and Glen Bolger found, nearly nine-

in-ten voters say gaming is an acceptable form of entertainment. Times have changed, indeed; casino gaming has never been viewed more favorably.

Beyond the beltway, a growing chorus of federalism advocates are voicing their displeasure with the ban. The National Conference of State Legislatures and U.S. Conference of Mayors have strongly urged regulation of sports betting. Pennsylvania passed a resolution last year opposing PASPA. New York is working on similar legislation. Several other states filed amicus briefs in New Jersey's appeal to the Supreme Court, echoing the Garden State's desire to offer sports betting within their borders. The tide is clearly turning.

We believe states should have the power to decide whether to allow sports betting and how best to regulate it, just as they do commercial and tribal casinos and other forms of gaming. The benefits are manifold. First, a regulated market would give states the ability to regulate and monitor the sports betting market and diminish the flow of money that fuels criminal organizations. Second, an open, transparent market—along with modern analytics technology—makes tracking betting much easier and thus strengthens the integrity of sports.

Finally, lifting the ban in favor of a legal, regulated market would give fans what they want. When a new casino opens outside of Nevada, many first-time visitors are surprised when they can't find the sports book. Yet they clearly find a way to bet on games.

Allowing states to oversee sports betting would create an environment of strict regulation, rigorous consumer protections and robust tools for law enforcement and leagues to root out illegal gambling and uphold the integrity of games. That's a far better solution than a failed federal ban that turns millions of American sports fans into criminals every Super Bowl Sunday. ■

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