

	Wednesday High 45 °F Low 25 °F 25 °F Fog/Mist
---	---

January 09. 2012 3:00AM

Urgency in overdrive as online gaming bill goes on hold

Advocates: To save Atlantic City, N.J. must beat Vegas, others to the table

By [Andrew Kitchenman](#)

6



Tom McCormick, executive vice president and general counsel for Atlantic City Coin & Slot Service Co. Inc., says his company, and others, would benefit from increased projects and jobs if New Jersey jumps on board with online gaming.

When **Tom McCormick** visited the International Casino Expo in London in early 2011, he came away impressed with the range of companies involved with online gaming.

"I had never been exposed to how broad the market is over in Europe until we went," said McCormick, executive vice president and general counsel for Pleasantville-based slot machine maker **Atlantic City Coin & Slot Service Co. Inc.**

McCormick also came away from the event convinced that New Jersey's economy would benefit if the state was in the national forefront in the battle to legalize online wagering.

Online gaming advocates said 2012 will be a crucial year, determining whether the state emerges as a leader for a newly legitimized industry or falls behind the pack. At the center of a lobbying effort is legislation that aims to legalize online gaming within six months.

The urgency to address the issue has been increased, as Nevada — home to the only gaming market larger than Atlantic City — has taken steps to legalize the practice. However, public opinion polls, which were supportive of sports betting in the run up to November's elections, currently run against online gaming.

McCormick sees his 230-employee company playing a role designing games if the practice is legalized in New Jersey, and said such a move would create high-paying jobs here: "There's definitely the need for computer engineering and graphic designers that comes up with not only the games themselves, but what people see on the screens."

But hopes of jump-starting online gaming faced a setback last week, with state Sen. **Raymond J. Lesniak** (D-Union) agreeing to hold off introducing the bill until the new legislative session starts, to give the **Chris Christie** administration time to review legal questions it has over the matter. But Christie, who previously vetoed a similar measure, told the Associated Press last week that the state "can be an epicenter for that business."

For Lesniak, it's not a question of whether online gaming comes to the United States, but when.

"This is a multibillion-dollar worldwide industry that we're losing out on," he said, adding that by having the state's casinos control online gaming, the state could aid an ailing industry while boosting other businesses that would support the casinos.

"By starting first, we would have the liquidity, the brand name to gain a large share" of a national industry, said Lesniak, also a champion of the sports betting measure.

Philadelphia-based consulting firm **Econsult** estimated that building the industry in the state could result in \$2.7 billion to \$7.1 billion in gross revenue to the industry if the state became a national hub.

The economic impact would range from technical and management jobs at gaming companies to increased demand for accounting and legal services, as well as the possibility for real estate development of data centers, according to advocates.

Lesniak said the federal restrictions of online gaming don't make sense, and repeated remarks he made at a gaming conference in Washington, D.C.

"I said, just look in Egypt, when they tried to shut down the Internet there," Lesniak said. "It doesn't work."

Lesniak said revenue from online gaming will benefit senior and disabled organizations that have been affected both by declines in casino revenues dedicated to support them, and declines in other state and local funding.

Sen. **Jim Whelan** (D-Northfield), a former mayor of Atlantic City, said it's unrealistic to ban online gaming.

"People are doing it even as we speak, playing poker on the Internet in New Jersey," Whelan said, adding that the revenue is going to companies in Europe and Central America. He added that even U.S. gaming companies have set up their headquarters in Europe.

"I think we have an opportunity, if we can act in 2012, to be first — and that would strengthen the advantage we have," said Whelan, who also visited London to advocate for the state's industry with European gaming companies.

He noted that the law he and Lesniak plan would be limited to in-state gaming, pending further federal action on the issue.

William J. Pascrell III, a lobbyist with **Princeton Public Affairs Group Inc.**, said the effort is primarily about job retention.

"If we don't do something to stop the downward spiral of Atlantic City, we're going to lose significant jobs," not only in the city, but in support industries around the state, he said. "It will have an incredible impact on retention."

Pascrell, whose clients include gaming firms, said the demand for computer server farms would have a significant impact on Atlantic City real estate.

While Pascrell said the issue is separate from the effort spearheaded by Lesniak to allow sports gaming, if at a future date sports gaming is allowed online, all the economic benefits would increase.

"New Jersey is fortunate, in that we had one bite at the apple and we bit our lip," Pascrell said of the vetoed bill. "We're going to get a second bite."

E-mail to: akitchenman@njbiz.com

On Twitter: @Kitchenman

Comments

Be the first to comment.

Your name:

[View Comment Policy](#)

Latest News

[Christie, legislators, industry leaders recall DeCroce as champion for business](#)

[Developer says solar firms helping power real estate recovery](#)

[NJIT taps interim president as its permanent chief](#)

[A&P will close five N.J. stores as part of bankruptcy reorganization](#)