

1 COMMISSIONER WILHELM: Mr. Dennis Wilk?

2 MR. WILK: Yes.

3 COMMISSIONER WILHELM: Go ahead, Mr. Wilk, thank you.

4 MR. WILK: Members of the Commission, my name is
5 Dennis Wilk. I'm speaking on Internet gaming. I'd like to
6 introduce a new idea into the public domain today. It's called
7 Intranet gaming, I-n-t-r-a gaming, and I'd like to clear the air
8 as to what is and what is not legal.

9 Okay, last Thursday the Senate voted for the Kyle
10 legislation when offered as an amendment. Now, I cite Reno v.
11 the ACLU, okay, and the Supreme Court ruled, "Freedom of speech
12 applies to the Internet". I believe it's fair to say that the
13 Kyle legislation is at best on very tenuous legal ground.

14 In writing the dissenting opinion, Reno v. ACLU, Justice
15 O'Conner mentions the concept of zoning, okay, applied to gaming.
16 Because of the ban on interstate gaming, the gaming industry has
17 evolved into zones in this country. One of them is the state.
18 When we think of the Internet normally, we think of it in terms
19 of its universality, okay, its worldwide scope.

20 Please reverse the thought. The concept of Internet
21 gaming is a secure network configured within a boundary or fire
22 wall. You may fire wall the State of Nevada, you may fire wall a
23 reservation, you may fire wall a river boat, you may fire wall
24 any region legally zoned for gaming. A secure client source
25 server network means a server and they only communicate with the
26 client terminals. The terminals may only communicate with the
27 server. One within the fire wall may not get beyond, one beyond
28 the fire wall may not get in.

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1 Domestic rate 128 byte key inscription secures all
2 transmission, inscription powerful enough to prevent its export.
3 You may not break through the Internet. We have a legalized zone
4 for gaming. Gaming transactions are legal within the zone. What
5 goes on beyond, goes on beyond. Please note the following five
6 points, please.

7 The protocol employed in and of itself is legal.
8 This means we shop on line, we bank on line, we get our news,
9 sports on line. The protocol, Internet protocol, in and of
10 itself is legal. Very important. The creation of the gaming
11 content on the network is protected under the First Amendment.
12 It is legal. The fire wall or setting a boundary around a region
13 already legally zoned for gaming, thus the transactions are
14 legal.

15 The operator must apply for a gaming license with the
16 regulatory body that has jurisdiction in the fire walled zone;
17 thus resolving all regulatory solvency and fairness issues.
18 Client terminals are physically located on the soil of the
19 legalized zone in establishments where gaming devices already
20 exist, thus resolving the issues of access and age verification.

21 In sum, Intranet gaming is legal in the United
22 States. It protects the public. It protects our children. It
23 protects the integrity of the gaming industry and it protects
24 lawmakers and regulators. Last Thursday the Senate --

25 COMMISSIONER WILHELM: Mr. Wilk, I'm sorry, your time
26 has been allotted. Please feel free to submit the rest of your
27 statement or your entire statement and it will be entered into
28 the record. Thank you very much.

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