COMMISSIONER WILHELM: Mr. Dennis Wilk?

MR. WILK: Yes.

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

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

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

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

Please reverse the thought. The concept of Internet gaming is a secure network configured within a boundary or fire wall. You may fire wall the State of Nevada, you may fire wall a reservation, you may fire wall a river boat, you may fire wall any region legally zoned for gaming. A secure client source server network means a server and they only communicate with the client terminals. The terminals may only communicate with the server. One within the fire wall may not get beyond, one beyond the fire wall may not get in.
Domestic rate 128 byte key inscription secures all transmission, inscription powerful enough to prevent its export. You may not break through the Internet. We have a legalized zone for gaming. Gaming transactions are legal within the zone. What goes on beyond, goes on beyond. Please note the following five points, please.

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

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

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

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