

# Rivers Casino joins push to offer online gambling within months

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By Gary Rotstein / Pittsburgh Post-Gazette

The Rivers Casino opted Monday to join at least five others across the state in planning an online range of gambling options similar to what is available to customers who walk in their doors.

Monday marked the deadline for Pennsylvania's 13 casinos to apply for what is known as a "bundled" \$10 million license to provide slot machine play, table games and poker to customers within the state who create online accounts. Once technical requirements and Pennsylvania Gaming Control Board regulations are complete, which is expected to take months, enthusiasts will be able to gamble from home, work or anywhere else within the state's borders.

There had been uncertainty over how many casinos would take advantage of the opportunity created by last October's gambling expansion law, which made Pennsylvania just the fourth state permitting online casino games.

The law was enacted to help fill the state's budget hole, and industry representatives complained that its \$10 million fee and tax rates — particularly the same 54 percent tax on slots play as is the case within the casinos — were too high. Analysts also questioned whether casinos would be interested in offering online poker, which generates lower revenue for them.

Ultimately, however, the Rivers decided to join in filing for the license along with the affiliated SugarHouse Casino in Philadelphia, which is under the same ownership, as well as the Hollywood Casino in Dauphin County, Parx Casino in Bucks County, Mount Airy Casino Resort in the Poconos, and Stadium Casino LLC, which is constructing a Philadelphia facility.

A Rivers Casino spokesman declined to discuss the decision, but in the case of Penn National Gaming, which owns Hollywood Casino, it was a matter of having "a seat at the table," said Eric Schippers, the company's executive vice president.

"While we remain disappointed with the state's exorbitantly high tax rate, we decided to proceed with the hope that we can continue to work to bring the tax in line with what other gaming jurisdictions around the

world have instituted,” Mr. Schippers said in an email.

While Penn National has an agreement to acquire The Meadows Racetrack & Casino from Pinnacle Entertainment Inc. by year’s end as part of a broad national transaction, Mr. Schippers said it would be inappropriate in the interim for him to comment on any plans at The Meadows. A Pinnacle spokeswoman declined to provide information concerning any interest — or not — in internet gaming.

The state gaming board plans to wait until Tuesday to confirm which casinos applied for bundled licenses and provide information on the process going forward. Other than the modestly sized Mount Airy casino and the still-developing Stadium Casino project, the known applicants are all relatively large revenue generators among casinos in the state.

Any casino declining to seek the \$10 million full license may still apply for \$4 million a la carte licenses to offer either slots, table games or poker. They may also decline altogether to enter the online gaming market, although after Aug. 14, the law permits the gaming board to open up applications for any unclaimed licenses to companies that are not existing Pennsylvania casino operators.

The online gambling application process and deadlines are unrelated to legalization of sports betting, which may also begin within months under the new state law.

Existing casinos are able at any time to submit applications to the gaming board for the sports betting licenses, which themselves cost \$10 million, but none has yet done so. Regulations are also still to be finalized for sports betting, and operators have criticized its own fee and tax rate, but they may eventually do as with the internet games and feel compelled to enter into it.

“I think there’s more enthusiasm with the industry” to provide sports betting, but not yet a sense of urgency to apply for it considering the need to see detailed regulations, said Jeremy Kleiman, a lawyer for the Saiber Law firm of New Jersey, which represents online gaming companies hoping to partner with Pennsylvania casinos.

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