

CHAMBER OF COMMERCE
OF THE
UNITED STATES OF AMERICA

R. BRUCE JOSTEN
EXECUTIVE VICE PRESIDENT
GOVERNMENT AFFAIRS

1615 H STREET, N.W.
WASHINGTON, D.C. 20062-2000
202/463-5310

July 20, 2010

The Honorable Barney Frank
Chairman
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

The Honorable Spencer Bachus
Ranking Member
Committee on Financial Services
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Frank and Ranking Member Bachus:

The U.S. Chamber of Commerce, the world's largest business federation representing the interests of more than three million businesses and organizations of every size, sector, and region, supports H.R. 2267, the "Internet Gambling Regulation, Consumer Protection, and Enforcement Act," which would establish a licensed, regulated Internet gaming market in the United States. However, this legislation could be strengthened in certain ways.

As noted in previous correspondence, the Chamber has significant concerns regarding the "Unlawful Internet Gambling Enforcement Act" (UIGEA) and its associated regulatory implementation. The Chamber believed at the time that UIGEA would result in financial institutions being subject to a burdensome compliance regime, and recent history has proven these concerns correct. Despite the burden and expense visited on the U.S. financial sector by UIGEA, offshore Internet gambling operations continue unabated.

H.R. 2267 would create a licensed, regulated class of Internet gaming operators and assert the illegality of accepting Internet bets or wagers without such a license. Today, Americans bet billions of dollars on offshore Internet gaming sites. The United States should seek to bring that commerce on-shore and regulate it to provide appropriate protections to consumers. The Chamber believes that H.R. 2267 would create jobs and revenue for federal and state governments, while better keeping minors and problem gamblers off of Internet gaming sites.

The Chamber does not support sports betting, which is illegal in 48 states, and which can have corrosive effects on the integrity of professional and amateur sports. The Chamber is pleased that H.R. 2267 does not seek to legalize sports betting. In fact, the Chamber believes H.R. 2267 could be strengthened to make the prohibition on sports betting more explicit.

The Chamber also supports modifying H.R. 2267 to require the federal government to create a list of businesses engaged in unlawful Internet gambling so that regulated financial institutions could comply with UIGEA by avoiding the transfer of funds to companies on that

list. Such an initiative would ease the compliance burden on financial institutions, be more effective against illegal gambling businesses, and create a clear appeals process for anyone wrongfully on the list.

The global framework of this issue cannot be overlooked. In a trade dispute initiated by the government of Antigua and Barbuda, the World Trade Organization (WTO) ruled that the U.S. position on Internet gambling was inconsistent with its obligations under the General Agreement on Trade in Services (GATS). Negotiations with the Antiguan government on this issue have been extended repeatedly over a period of years. The Chamber believes H.R. 2267 should be strengthened to include a “sense of Congress” that the negotiations with Antigua should be brought to a swift conclusion.

The Chamber supports H.R. 2267 and looks forward to working with the Committee to strengthen and improve this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bruce Josten", written in a cursive style.

R. Bruce Josten

Cc: The Members of the Committee on Financial Services