

For Immediate Release
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European Commission Finds U.S. Violates Trade Agreement; Internet Gambling Law Would Resolve Dispute

(Washington, D.C. – June 10, 2009) The European Commission issued a report today that finds U.S. laws on Internet gambling are legally not justified and are discriminatory against foreign Internet gambling operators. Legislation recently introduced by Rep. Barney Frank (D-MA), the Internet Gambling Regulation, Consumer Protection and Enforcement Act (H.R. 2267), would resolve this trade dispute by regulating Internet gambling and creating a level playing field among domestic and foreign Internet gambling operators.

“The European Commission report provides yet another reason why the administration and Congress should support pending legislation to regulate Internet gambling, which would resolve the trade agreement violation and better protect consumers” said Jeffrey Sandman, spokesperson for the Safe and Secure Internet Gambling Initiative. “The Obama Administration should seek to forge a new direction on Internet gambling, rather than keeping in place a protectionist trade policy that hypocritically discriminates against foreign online gambling operators.”

The European Commission report, instigated by a Trade Barrier Regulation complaint filed by the Remote Gambling Association (RGA), concludes that the treatment of foreign Internet gambling operators by the U.S. under existing domestic law constitutes a barrier to market access for European companies. Further, the report found that the U.S. is in violation of international trade law by threatening and pursuing criminal prosecutions, forfeitures and other enforcement actions against foreign Internet gambling operators, while allowing U.S. online gambling operators, primarily horse betting, to flourish.

The report suggests resolving the trade dispute through a negotiated solution with the Obama Administration. If the parties cannot settle the matter themselves, the Commission could bring a case against the U.S. to the WTO.

Rep. Frank’s legislation would establish a licensing and enforcement framework to permit licensed gambling operators to accept wagers from individuals in the U.S. The legislation also mandates a number of significant consumer protections including safeguards against compulsive and underage gambling, money laundering, fraud and identify theft.

A companion piece of legislation to Rep. Frank’s bill introduced by Rep. Jim McDermott (D-WA), the Internet Gambling Regulation and Tax Enforcement Act (H.R. 2268), would ensure the collection of taxes on regulated Internet gambling activities. According to a tax revenue analysis, regulated Internet gambling would allow the U.S. to capture much-needed revenue in an amount ranging from \$48.6 billion to \$62.7 billion over the next decade. Without this legislation, this revenue will remain uncollected while millions of Americans gamble online without consumer protections.

About Safe and Secure Internet Gambling Initiative

The Safe and Secure Internet Gambling Initiative promotes the freedom of individuals to gamble online with the proper safeguards to protect consumers and ensure the integrity of financial transactions. For more information on the Initiative, please visit www.safeandsecureig.org. The Web site provides a means by which individuals can register support for regulated Internet gambling with their elected representatives.

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