

Los Angeles Times

Get rid of gambling restrictions

April 8, 2007

The U.S. doesn't mind the lottery, but when it comes to sports betting across interstate or international boundaries, all bets are off. They shouldn't be.

ANTIGUA AND BARBUDA, former British colonies on the eastern edge of the Caribbean Sea, are smaller than Los Angeles and less populous than Burbank. Yet they may be able to force the world's most powerful government to change its gambling laws.

Not since 1960 has it been legal under federal law to place or take bets on sports using interstate or international phone lines. The Federal Wire Act of 1961 and subsequent measures also have been interpreted to ban online gambling as well, or at least gambling on sports. At issue is whether those laws constitute "arbitrary and unjustifiable discrimination" against foreign firms.

Do they? Antigua and Barbuda argue that they do — and the World Trade Organization agrees. So do we.

Realistically, the ban has had little effect. It hasn't stopped Americans from betting (and losing) millions of dollars at online casinos and bookmaking operations based in other countries. Nevertheless, U.S. policy has irritated many of its trading partners, including Antigua and Barbuda, which asked the WTO in 2003 to rule that U.S. gambling restrictions violated an international treaty governing trade in services.

Eventually, in 2005, a WTO appeals panel accepted the U.S. argument that its gambling restrictions were needed to protect public order and morals. But by permitting off-track betting parlors in the U.S., the WTO ruled, Congress created an exception to the ban on remote gambling that discriminated against foreign bookmakers. After two more years of wrangling over what the panel's order meant, a WTO tribunal ruled late last month that the U.S. remained out of compliance.

So the U.S. faces trade sanctions from the WTO unless Congress does one of two things: Either acknowledge that betting on horses from overseas is no greater threat to the nation's moral fiber than it is at an OTB parlor, or make OTB parlors illegal.

Maybe it doesn't have the stomach for either. If so, then Antigua and Barbuda may want to ask the WTO to ponder why allowing the interstate sale of lottery tickets — a form of state-sponsored gambling — is any less hypocritical than the U.S. stance on thoroughbreds and trotters.