



Editorial: Time to regulate Internet gambling

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Antigua and Barbuda, a tiny twin-island nation of 80,000 people in the Caribbean, is the mouse that roared on Internet gambling. It could force the elephantine United States to reconsider laws prohibiting online wagering with offshore casinos.

Antigua challenged that prohibition before the World Trade Organization and won - twice. Congress should accept that reality and replace the ban with regulation designed to ensure the financial integrity of gaming in cyberspace, to screen out minors and to make sure that the United States gets its cut in taxes. Legislation introduced by Rep. Barney Frank (D-Mass.) provides a good jumping-off point for debate in Congress.

Antigua is home to 32 online casino operations. It initiated a trade complaint in 2003, claiming that the U.S. ban violates its rights as a member of the global free trade community policed by the WTO. It won in 2004; again in 2005, after the United States appealed; and the ruling was reaffirmed yet again this year. All that's left is for the WTO to decide what damages to impose.

The organization's credibility is on the line. It can't risk the rap that it aggressively enforces trade rules against small nations but timidly allows the world's economic powerhouse to skate. The integrity of the United States is also at issue. This country can't respect trade rules that benefit us and ignore those that don't without undermining valuable free trade agreements.

Washington may be left with only two choices: Allow Americans to wager online with offshore casinos or ban all Internet gambling - including popular pastimes like fantasy sports leagues and off-track betting on horses, and maybe even the sale of lottery tickets online. Antigua argued that by permitting some online wagering while making it illegal for financial institutions to handle payments for Internet casinos abroad, the United States impermissibly discriminates against cyber-casinos. Washington should respect the WTO ruling, permit Internet casino gambling and do all it can to protect American consumers.