

**RESOLUTION URGING THE WITHDRAWAL OF
UNITED STATES' WORLD TRADE
ORGANIZATION COMMITMENT ON GAMBLING**

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Sheryl L. Allen

Senate Sponsor: Mark B. Madsen

LONG TITLE

Committee Note:

The Utah International Trade Commission recommended this bill.

General Description:

This joint resolution of the Legislature supports the withdrawal of the United States' World Trade Organization commitments on gambling.

Highlighted Provisions:

This resolution:

- ▶ supports the withdrawal of the United States' gambling commitments made in the General Agreement on Trade in Services; and
- ▶ expresses concern that the terms of the World Trade Organization agreement under which the United States withdrew its gambling commitments made in the General Agreement on Trade in Services have not been made available by the United States Trade Representative.

Special Clauses:

None

Be it resolved by the Legislature of the state of Utah:

WHEREAS, the World Trade Organization (WTO) Dispute Resolution Body found the



28 United States to have made a commitment under the General Agreement on Trade in Services
29 (GATS) in the category of "Other Recreational Services" that covered gambling services;

30 WHEREAS, the Appellate Body of the WTO acknowledged the importance of "public
31 morals" concerns in this WTO dispute and the legitimacy of the United States "public morals"
32 defense in this case;

33 WHEREAS, states have considerable authority to regulate and prohibit various forms
34 of gambling;

35 WHEREAS, a number of states communicated with the Office of the United States
36 Trade Representative (USTR) to express their concern about the WTO decision and its
37 implications for public morals and for state regulation of gambling;

38 WHEREAS, the USTR took steps last year to rescind the United States' commitment in
39 "Other Recreational Services," consistent with the wishes of states as expressed through letters
40 and direct communications to USTR, as well as the wishes of Congress as exemplified by the
41 Unlawful Internet Gambling Enforcement Act;

42 WHEREAS, in withdrawing this commitment, the United States had to offer
43 compensatory adjustments in its overall schedule of GATS commitments, providing market
44 access opportunities to United States' trading partners in other sectors;

45 WHEREAS, the United States has signed Free Trade Agreements with a number of
46 nations that are home to major on-line gambling operations;

47 WHEREAS, the London-based Remote Gambling Association has already filed a
48 complaint with the European Union asking that Europe bring a new WTO claim against the
49 United States on gambling; and

50 WHEREAS, the Utah Legislature created the Utah International Trade Commission in
51 2006 as a legislative commission to address international trade issues:

52 NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah
53 expresses its gratitude to the USTR for its forthright position in the WTO gambling
54 commitments dispute, and its willingness to withdraw the United States' commitment under
55 "Other Recreational Services" once it was determined that this commitment covered gambling.

56 BE IT FURTHER RESOLVED that the Legislature of the state of Utah recognizes that
57 this action reflects the increasing responsiveness of the USTR in addressing the legitimate
58 regulatory concerns of states in light of international trade commitments undertaken by the

59 federal government.

60 BE IT FURTHER RESOLVED that the Legislature of the state of Utah expresses its
61 concern that the terms of the agreement whereby the United States withdrew the commitment
62 under "Other Recreational Services" have not been made available to members of Congress, to
63 the Intergovernmental Policy Advisory Committee, or to state oversight commissions on
64 international trade, and calls upon the USTR to make public the agreement terms.

65 BE IT FURTHER RESOLVED that the Legislature of the state of Utah expresses its
66 concern that United States' trading partners may attempt to bring further claims against federal
67 and state gambling laws under trade and investment agreements that lack the "public morals"
68 exception found in the WTO GATS.

69 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the WTO,
70 USTR, Utah Congressional delegation, and members of the U.S. Senate Finance and House
71 Ways and Means Committees.

Legislative Review Note
as of 11-5-08 12:24 PM

Office of Legislative Research and General Counsel

Fiscal Note**H.J.R. 1 - Resolution Urging the Withdrawal of United States World Trade
Organization Commitment on Gambling**

2009 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
