

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

4 2009 GENERAL SESSION

5 STATE OF UTAH

6 **Chief Sponsor: Sheryl L. Allen**

7 Senate Sponsor: Mark B. Madsen

9 **LONG TITLE**

10 **General Description:**

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

13 **Highlighted Provisions:**

14 This resolution:

- 15 ▶ supports the withdrawal of the United States' gambling commitments made in the
- 16 General Agreement on Trade in Services; and
- 17 ▶ expresses concern that the World Trade Organization withheld the terms of a
- 18 proposed resolution under which the United States withdrew its gambling
- 19 commitment made in the General Agreement on Trade in Services treaty.

20 **Special Clauses:**

21 None

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

24 WHEREAS, the World Trade Organization (WTO) Dispute Resolution Body found the
25 United States to have made a commitment under the General Agreement on Trade in Services
26 (GATS) in the category of "Other Recreational Services" that covered gambling services;

27 WHEREAS, the Appellate Body of the WTO acknowledged the importance of "public
28 morals" concerns in this WTO dispute and the legitimacy of the United States "public morals"
29 defense in this case;

30 WHEREAS, states have considerable authority to regulate and prohibit various forms
31 of gambling;

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

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

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

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

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

47 WHEREAS, the Utah Legislature created the Utah International Trade Commission in
48 2006 as a legislative commission to address international trade issues:

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

53 BE IT FURTHER RESOLVED that the Legislature of the state of Utah recognizes that
54 this action reflects the increasing responsiveness of the USTR in addressing the legitimate
55 regulatory concerns of states in light of international trade commitments undertaken by the
56 federal government.

57 BE IT FURTHER RESOLVED that the Legislature of the state of Utah expresses its

58 concern that the terms of the agreement whereby the United States withdrew the commitment
59 under "Other Recreational Services" were withheld from members of Congress, the
60 Intergovernmental Policy Advisory Committee (IGPAC), and state oversight commissions on
61 international trade.

62 BE IT FURTHER RESOLVED that the Legislature of the state of Utah expresses its
63 concern that the USTR's recent actions are an effort to bypass Congress and IGPAC by
64 proposing a solution outside of the constitutional United States Senate treaty ratification
65 process.

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

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