

Pushing the elephant further up the stairs

Last September and October, while travelling across the US to talk about regulating the egaming industry, I often used the phrase 'it's like pushing an elephant upstairs' to describe BETonSPORTS' efforts to effect change in the US for an industry that has no governmental oversight. As 2005 begins, the debate over egaming continues to be fought on many fronts, both on US soil with the Casino City case and outside the US with the Antigua/World Trade Organisation (WTO) decision and the pending Gambling Bill in the UK.

Casino City legal action

US-based Casino City's legal action against the US Department of Justice in 2004 to obtain a declaratory judgment on its right to carry advertisements for egaming companies continues to ignite debate and draw public attention to the issues surrounding online gambling. This case will make the threats against the right to wager more palpable to Americans.

As a legitimate business, BETonSPORTS has had to bear the brunt of various media companies reluctantly turning down offers to buy advertising. The Casino City case is a first brave step on US soil to take on industry opponents and have a dialogue, albeit in the courtroom. While we are prepared and would like to have a productive dialogue to develop meaningful regulation, this first step will further the discussion that BETonSPORTS has carried on these past few years with its 'Right to Wager' campaign and last year's summit tour.

The WTO's Antigua ruling

In a classic case of David vs Goliath, the WTO's ruling in favour of Antigua that American legislation criminalising online betting violates international trade treaties set a precedent for the entire industry. Countries such as Antigua and Costa Rica have trade rights as well.

Rather than protecting its citizens and coming to terms with the fact that nearly half all online wagering business comes

from US residents, the US is focused on using every back-channel to prohibit online gambling. The US' decision to appeal the ruling will continue to make online gaming a global business issue in 2005 and will only strengthen the case for implementing regulation.

UK seeks regulation

Across the Atlantic, the UK's efforts to regulate online gambling is a strong counterpoint to US activities to quash the industry and regulation altogether. A hallmark of the UK legislation, or as it is known here the Gambling Bill, is the protection of minors.

It is immensely important for the industry as a whole to accommodate legitimate protections for the consumer and provide a safe environment for consumers to participate in a leisure activity. I believe the UK will pass primary legislation within the next three to five months. The legislation that is passed will serve as the benchmark for any other jurisdiction in the world to form regulation. It will herald a new era for the entire industry and make any form of prohibition from other governments, such as the US, more difficult.

Many Americans see gaming – be it a game of bingo, a lottery ticket, an office football pool or a trip to a casino – as entertainment, and egaming doesn't have to be any different. An article in *Forbes* stated over the next five years, greater broadband access in American homes will cause revenues from traditional online entertainment, including gambling, to exceed those from offline entertainment such as casinos.

The legalisation and regulation of online gaming is a long-term goal that is probably at least three to five years away in the US. We've been working hard to raise this issue and to encourage Americans to discuss this openly. Of course, it's going to take time to get that message through to Congress. We must continue to further our efforts in making the online wagering industry a viable and credible business in the US and this year we will continue to push the elephant further up the stairs.



David Carruthers, chief executive of BETonSPORTS, says we should look to the new year with fresh hope of advancing the regulation debate still further