

# Let reality speak

The message is increasingly clear. The reality of egaming as a successful global business must shape the way governments and regulators frame the discussion about the future of this industry. For the US government, it is time to face facts. The issue is not whether it is possible to stop egaming but what are the most viable and effective ways to regulate a business that is growing, thriving, and has a market niche to serve.

Efforts in the US to criminalise the business or prohibit the freedom of individuals to enjoy online gaming appear increasingly irrelevant and myopic.

Instead of facing the undisputed reality that this business is here to stay, various US factions are continuing to try to protect their parochial self-interests and impose their own view of morality upon the world's citizens, deciding where, when and what kind of gambling is legal. But market forces are a formidable counterweight, and the recent World Trade Organisation (WTO) decision reinforces this reality.

## David vs Goliath

The WTO ruling that overrode the US appeal against Antigua speaks clearly. Any federal law banning egaming will violate US WTO obligations. This ruling vindicates all the actors in this industry, because the WTO decision affirms the day-to-day reality that no single government can stop a thriving global business.

This classic case of David vs Goliath, with the WTO ruling in favour of Antigua, sends a strong message: US legislation attempting to criminalise egaming will violate international trade treaties. It is a message Senator John Kyl needs to start hearing as well.

Word is out that the senator is going to try for the eighth time to prohibit US citizens from participating in on line gambling. He has tried seven times during the past 10 years to initiate this legislation – and each time he has failed.

The message should be clear. His approach is the wrong strategy and has little bearing on reality. Although the legislation aims to be based on moral generalities, the fact is every attempt to legislate against egaming pulls in special interest groups who maintain the

prohibition should not have any impact on them. What is immoral for one group is suddenly morally right for another. This time around, we hear the Congressional Horse Racing Caucus is working hard to ensure no legislation would possibly impact off track betting. This sounds like a lot of congressional 'horse trading' with no real effort to address the real issues of this multi-billion dollar global business.

## Shifting focus

Instead of focusing on yet another failed attempt to criminalise the 2000 or so egaming websites, the US Congress should be addressing ways to regulate this industry to protect consumers, safeguard the interests of minors and ensure the necessary elements of transparency.

The UK's efforts to regulate egaming are a strong counterpoint to US activities that pretend the industry is not a vital, growing global business. A priority of the UK's Gambling Act is the protection of minors, and these elements in the legislation need to be reviewed by the US Congress so that actions focused on legitimately protecting consumers can be strengthened and moral hypocrisy can be minimised.

## Everyone loses

When the discussion focuses on prohibition rather than regulation, everyone loses. Consumers lose because their freedom to enjoy a form of entertainment is denied. Governments lose because their access to potential tax revenues on this multi-billion dollar business is thwarted. Responsible business people lose, because their efforts to build a transparent, viable global enterprise are obstructed.

Importantly the very people legislators aim to protect by prohibition – minors – are left vulnerable, because history proves that legislation outlawing egaming will never pass.

It is time to focus on reality. US legislators can take the responsible course of action by focusing on regulations that can protect individuals, eliminate illegal behaviour and recognise the growth and popularity of egaming.



**David Carruthers, chief executive of BetonSports, repeats his call for US legislators to admit egaming's popularity and act to protect consumers**