

**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

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**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

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

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



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

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

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

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

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

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

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

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

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

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

BE IT FURTHER RESOLVED that the Legislature of the state of Utah recognizes that this action reflects the increasing responsiveness of the USTR in addressing the legitimate 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.

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

**Office of Legislative Research and General Counsel**

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**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

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**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.

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