

INTERNATIONAL

WTO Gives U.S. Room to Curb Web Gambling

The World Trade Organization's appellate panel said a morals clause could allow the U.S. to continue restricting Internet gambling, overturning parts of a lower panel's ruling that the U.S. couldn't interfere with Antigua and Barbuda's Internet-gambling business.

But the Caribbean island nation noted that the WTO also upheld aspects of its argument, and contends the U.S. would have to outlaw lotteries and remote wagering on horse racing before it could use the ruling to block Internet gambling by Americans.

Last May, a three-person panel ruled in favor of Antigua and Barbuda, which claimed the U.S. violated trade pacts by limiting gambling on the Internet. Though the appellate body upheld provisions of the lower panel's decision,

it overturned enough to leave Washington declaring victory. U.S. officials decided they may continue to block citizens' participation in what some lawmakers consider a dangerous vice.

"This report essentially says that if we clarify U.S. Internet gambling restrictions in certain ways, we'll be fine," said Peter Allgeier, acting U.S. Trade Representative.

"The U.S. is missing the point," said Craig Pouncey, managing partner at Herbert Smith in Brussels and part of Antigua's legal team. "The U.S. still discriminates against third countries in that it prohibits the import of all other forms of remote gambling while allowing some to continue within its territory, such as lotteries."

—Scott Miller and Peter Sanders