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ANTIGUA HANDED DECISIVE VICTORY IN WTO GAMBLING CASE

The World Trade Organisation today released the decision of a three-member panel established to assess the compliance of the United States with the 2005 ruling by the trade body against the United States in the dispute over Internet gambling brought by the Caribbean country of Antigua and Barbuda.

Antigua's original triumph in April 2005 is reaffirmed in this final report, with the WTO panel decisively ruling that the US has done nothing to comply with the original ruling. By rejecting US arguments that the country applies its laws against remote gambling in a non-discriminatory fashion, the WTO has handed Antigua a resounding victory, and offers hope to the global online gambling industry currently under siege by the US Department of Justice.

Dr. John W. Ashe, Antigua's Ambassador to the WTO, stated, "This is a smashing success for Antigua in every possible way. The report will sweep away any lingering doubt that Antigua has obtained a clear and convincing win over the United States in this matter. It is now time for the United States to meet its international trade obligations to Antigua and work with us in a constructive manner to resolve this dispute."

Featuring prominently in the WTO's new decision was the passage of the Unlawful Internet Gambling Enforcement Act (UIGEA) - a baldly protectionist measure to stamp out non-domestic supply of remote gambling services - and the high-profile prosecutions of a number of foreign service providers in recent months.

Following the 2005 decision of the WTO's appeals body, the United States had asserted that it had only to clarify a "narrow" point of US law regarding horse racing in order to come into compliance with the ruling. Today's decision, while also noting that the United States had failed to provide any clarification at all on the horse racing issue, pointed out that Antigua had demonstrated that a "flourishing remote account wagering industry" exists in the United States, despite US claims that it prohibited all remote gambling throughout the country. Critically as well, the panel took note of the fact that US law does not prohibit remote gaming that occurs solely within the borders of a particular state - an exemption which was confirmed in the UIGEA.

“We are extremely pleased by this most positive report of the panel,” announced The Honourable L. Errol Cort, Minister of Finance and the Economy for Antigua. “It vindicates all that we have been saying for years about the discriminatory trade practices of the United States in this area, and we look forward to the United States opening its markets on a fair and balanced basis as the WTO agreements and the international community require.”

Kaye McDonald, Antigua's Director of Gaming, expressed her relief at the decision, “The principles in this well-crafted opinion will be clear to everyone. This really is a landmark day for our country and I simply could not be more pleased.”

Although the United States may appeal this latest finding back to the appeals body of the WTO, the head of Antigua's legal team, Mark Mendel, believes that the chances of reversal are remote. “The panel's logic is impeccable and the law and facts are just as much in our favour as they could possibly be. The United States on one hand prohibits competition in remote gambling from Antigua while on the other promoting and protecting a massive domestic industry. If the WTO agreements apply under any scenario, they apply here.”

Antigua, a small, twin-island nation in the Caribbean Sea, is one of the smallest WTO members, with a population of only about 80,000. It has dedicated significant resources since the early 1990s in an attempt to diversify its economy with a closely regulated and supervised cross-border gaming industry. Despite having offered on many occasions to work with US officials on a cooperative basis to ensure the safety and fairness of the Antiguan services offered to American consumers, Antigua's efforts have been consistently rebuffed, with US officials opting instead to embark on an aggressive assault on the offshore provision of gaming services.

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Notes to editors:

Interviews are available with Mark Mendel, Delegate for Antigua at the International Summit on Remote Gambling and lead legal counsel in the WTO trade dispute with the US.

Antiguan Online Gambling Industry facts (2005-2006 figures):

- There are 32 licensees operating online casinos in Antigua.
- The industry employs around 1000 employees on the island.
- The revenue for Antigua based licensees is currently around US\$130M, although this is considerably less than the 2000 figure of US\$1billion.
- All online casino operators in Antigua must follow strict guidelines and regulations laid out by the Financial Services Regulatory Commission. These offer greater regulation than those enforced within the United States.
- Since 2000 increased regulation from the Commission has led to online sportsbooks and casinos moving their operations to other countries, resulting in a better consumer offering from the jurisdiction