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## EU presses U.S. to change Internet gambling law

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By Doug Palmer

WASHINGTON (Reuters) - The United States must change an Internet gambling law that discriminates against European companies by preventing them from offering services in the U.S. market, the European Union's top trade official said on Thursday.

"What we need to see is a change in U.S. legislation that removes that discrimination against EU operators," EU Trade Commissioner Peter Mandelson told reporters before heading to Capitol Hill to discuss the issue with U.S. lawmakers.

"It's not in the interest of American consumers to have good responsible competitors in this market excluded by regulatory mechanisms."

The European Union and other trading partners have been in compensation talks with the United States over Washington's decision to retroactively remove gambling services from the market-opening commitments it made as part of the 1994 Uruguay Round world trade agreement.

The United States took that step after the World Trade Organization ruled in a case brought by the tiny Caribbean nation Antigua and Barbuda.

Congress has since passed a broader online gambling ban.

EU-based gambling firms have urged the bloc to seek as much as \$100 billion in compensation for being shut out of the U.S. market.

"When a member of the WTO defaults on its commitments, compensation is due. That's the case of online gambling," Mandelson said.

"We're in talks about the magnitude of that compensation. I think what we're asking for is reasonable and realistic. The numbers aren't quite as large as has been advertised, but they need to be substantial."

Mandelson said he would talk on Thursday with Rep. Barney Frank, chairman of the House of Representatives Financial Services Committee, about his bill to roll back the online gambling ban.

"I think he takes a fair-minded, a common sense, approach to this and we look forward to that being effective legislation," Mandelson said.

"We're not telling the United States how to regulate this industry. That's not for us to do. All we're saying is, however you choose to regulate, don't discriminate against non-American operators."

(Editing by John O'Callaghan)

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