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NFL, MLB, NBA, NHL, AND NCAA **OPPOSE SPORTS BETTING.**

HON. EDOLPHUS TOWNS

of new york

in the house of representatives

Wednesday, August 1, 2007

Mr. TOWNS. Madam Speaker, I would like to call attention to a letter that I and my colleagues received this week from the professional and collegiate **sports** associations. It alerts us to the fact that, at this time when the reputation and integrity of American athletics are keenly threatened by gambling-related scandals, proposals to legalize and sanction

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sports gambling are being advanced here in the House of Representatives.

I have long been concerned about protecting American athletics from the taint of gambling. I cosponsored the Professional and Amateur **Sports** Protection Act of 1992, when arrested the growth of state-sponsored **sports betting**. As Congress said then, ``**Sports** gambling threatens to change the nature of sporting events from wholesome entertainment for all ages to devices for gambling. It undermines public confidence in the character of professional and amateur **sports.**''

Now H.R. 2046 threatens to let offshore online gambling operators do through the backdoor what PASPA shut off to states through the front door. And the proponents of **sports** gambling are making the same arguments that they did in the early 1990s: legal sportsbooks have the technology and incentive to identify suspicious activity and prevent actual corruption of the game; people are going to gamble on **sports** anyway, so the government might as well capture tax revenue on the activity.

Congress rejected those arguments then, and they should reject them now. The fundamental issue has never been whether the technology existed to prevent abusive **sports** gambling. The fundamental issue is this: regardless of what happens between friends or on the black market, Congress should not be in the business of encouraging people to gamble on **sports**. And **sports** gambling should be off limits from further exploitation as a ``revenue enhancer.``

This is an essential principle, that gambling and **sports** do not mix.

Even though H.R. 2046 says **sports** leagues can ``opt out'' of allowing gambling on their sport, Congress would still be sending the wrong message about **sports** gambling. Moreover, the **sports** associations have very serious concerns that the ``opt-outs'' could be struck down by U.S. courts or international tribunals, leaving their **sports** completely unprotected.

As their letter says, ``the harms caused by government endorsement of **sports betting** far exceed the alleged benefits.'' Therefore, I will not support any movement on H.R. 2046 so long as it poses any threat to the integrity of American athletics.

Madam Speaker, I ask unanimous consent to place in the Record the letter signed by the General Counsels of the National Football League, Major League Baseball, National Basketball Association, National Hockey League, and National Collegiate Athletic Association.

July 30, 2007.

Dear Member of Congress: **Sports betting** is incompatible with preserving the integrity of American athletics. For many decades, we have actively enforced strong policies against **sports betting**. And the law on this point is consistent. Federal statutes bar **sports betting**, especially the 1961 Wire Act and the 1992 Professional and Amateur **Sports** Protection Act. Enforcement of these laws against **sports betting** was also a significant motive for enacting the Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA).

Accordingly, we urge you to reject current proposals to legalize Internet gambling, such as H.R. 2046 sponsored by Rep. Barney Frank. This legislation reverses federal policy on **sports betting** and would for the first time give such gambling Congressional consent. The bill sends exactly the wrong message to the public about **sports** gambling and threatens to undermine the integrity of American **sports**.

On a related point, we believe the Congress should not consider any liberalization of Internet gambling until the U.S. Trade Representative successfully resolves our trade disputes in this area. A rush to judgment on this subject could result in irreversible damage to U.S. sovereignty in the area of gambling regulation, including the capacity to prohibit **sports** bets.

Though Internet gambling on **sports** has never been legal, easy access to offshore Internet gambling websites has created the opposite impression among the general public, particularly before Congress enacted UIGEA last fall. UIGEA emerged from more than a decade of Congressional consideration, in which stand-alone legislation aimed at restricting Internet gambling passed either the Senate or the House in each of five successive Congresses, each time by overwhelming bi-partisan votes. UIGEA also enjoyed a broad array of supporters, including 49 state Attorneys General and other law enforcement associations, several major financial institutions and technology companies, dozens of religious and family organizations, and of course our **sports** organizations.

Enactment of UIGEA was grounded on concerns about addictive, compulsive, and underage Internet gambling, unlawful **sports betting**, potential criminal activity, and the wholesale evasion of federal and state laws. When it passed

the House a year ago, the vote was 317-93, including majorities of both caucuses and with the affirmative votes of both party leaders.

The final product was a law that did not change the legality of any gambling activity--it simply gave law enforcement new, effective tools for enforcing existing state and federal gambling laws. UIGEA and its predecessor bills could attract such consensus because they adhered to this principle: whether you think gambling liberalization is a bad idea or a good one, the policy judgments of State legislatures and Congress must be respected, not de facto repealed by deliberate evasion of the law by offshore entities via the Internet.

By contrast, H.R. 2046 would put the Treasury Department in charge of issuing licenses to Internet gambling operators, who would then be immunized from prosecution or liability under any Federal or State law that prohibits what the Frank bill permits. The bill would tear apart the fabric of American gambling regulation. By overriding in one stroke dozens of Federal and State gambling laws, this would amount to the greatest expansion of legalized gambling ever enacted.

This legislation contains an ``opt-out'' that appears to permit individual leagues to prohibit gambling on their **sports**. But regardless of the ``opt-out,'' the bill breaks terrible new ground, because Congress would for the first time sanction **sports betting**. That is reason enough to **oppose** it. In addition, the bill's safeguard opt-out for **sports** leagues as well as the one for states may well prove illusory and ineffectual. They will be subject to legal challenge before U.S. courts and the World Trade Organization.

In addition, this legislation would dramatically complicate current trade negotiations concerning gambling. In 1994, the United States signed the General Agreement on Trade in Services, which included a commitment to free trade in ``other recreational services.'' In subsequent WTO proceedings, the United States has claimed this commitment never included gambling services. The United States has noted that any such ``commitment'' would contradict a host of federal and state laws that regulate and restrict gambling. The WTO has not accepted this argument.

Accordingly, the U.S. Trade Representative has initiated negotiations to withdraw gambling from U.S. GATS commitments. Before withdrawal can be finalized, agreement must be reached on trade concessions with interested trading partners. Few concessions should be required because there was never a legal market in Internet gambling in the U.S. If Congress creates a legal market before withdrawal is complete, the withdrawal will become much more complicated and costly. Therefore, we **oppose** any legislation that would imperil the withdrawal process.

Finally, we have heard the argument that Internet gambling can actually protect the integrity of **sports** because of the alleged capacity to monitor gambling patterns more closely in a legalized environment. This argument is generally asserted by those who would profit from legalized gambling and the same point was raised in 1992 when PASPA was enacted.

Congress dismissed it then and should dismiss it now. The harms caused by government endorsement of **sports betting** far exceed the alleged benefits.

H.R. 2046 sets aside decades of federal precedent to legalize **sports betting** and exposes American gambling laws to continuing jeopardy in the WTO. We strongly urge that you **oppose** it. Thank you for considering our views on this matter.

Sincerely,

Rick Buchanan, Executive,

VP and General Counsel, National Basketball Association.

Elsa Kircher Cole,

General Counsel, National Collegiate Athletic Association.

William Daly,

Deputy Commissioner, National Hockey League.

Tom Ostertag,

Senior VP and General Counsel, Major League Baseball.

Jeffrey Pash,

Executive VP and General Counsel, National Football League.