

## INTERNET GAMBLING PROHIBITION AND ENFORCEMENT ACT

SPEECH OF

**HON. SHEILA JACKSON-LEE**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, July 11, 2006*

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentleman for yielding.

I rise in opposition to H.R. 4411. Clearly, gambling on the internet has become an increasingly popular activity and lucrative business. It is estimated that the internet gambling market now exceeds \$12 billion, and about \$6 billion comes from U.S. bettors. It is estimated that there are now over 2,000 gambling websites. But is internet gambling a net plus or minus for society? That is the question that I hoped the hearings held by the Judiciary Committee on this legislation would answer. Regrettably, my questions have not been answered satisfactorily. Therefore, I cannot support the bill.

My concerns are four-fold.

First, this legislation attempts to clarify the Wire Act to prohibit not only sports betting, but traditional gambling such as online poker. The bill also attempts to update the Wire Act to cover more Internet technologies, such as wireless infrastructures that increasingly make up the Internet. My concerns here Mr. Speaker is that factual record regarding the need for amending the Wire Act has not been demonstrated and, more important, we did not have the benefit of the views of senior prosecutors and Justice Department officials on the necessity of amending the Wire Act. I note that the DOJ representative who appeared before the subcommittee, Mr. Bruce Orr, is not a presidential appointee, was not authorized to speak for the Administration, and did not seem deeply immersed in the provisions of the bill. This lack of solid legislative-executive dialectic is sufficient in itself to hold the bill in subcommittee until a more reliable factual record is developed.

Second, I am also concerned that the carve-out for internet gambling on horseracing will place the United States at risk of being found in violation of trade laws by the World Trade Organization. The bill, as written, can be arguably characterized as disadvantaging European and Australian based internet gaming companies who would be excluded from the American market, while their American counterparts would not be excluded. Should the United States be found to have committed a trade violation, I am concerned that Europe and Australia will retaliate against American goods and services.

Third, Mr. Speaker I was very impressed with the testimony of Mr. Sam Vallandingham, Vice President, First State Bank, who testified on behalf of small independent community banks. Mr. Vallandingham testified before the Judiciary Committee, and I daresay with great knowledge and conviction, that financial institutions, especially relatively small ones like the ones he represents, to identify, monitor, and track internet gambling transactions of its account holders. Mr. Vallandingham informed the subcommittee that financial institutions simply did not possess the sophisticated detection technology that could make it conceivable to identify problematic accounts. Since the risk of violation of this bill is great (violation carries

penal sanctions), it does not appear wise or prudent to impose this burden on small financial institutions.

Finally, Mr. Speaker, I would be remiss if I did not point an irony. Instead of providing minors with greater protections, this legislation threatens to make it much easier for minors to utilize the services of online gambling companies that operate across State lines. In addition, the legislation has the potential to generate a substantial increase in acts of money laundering and undoubtedly will expose various banks and Internet service providers to excessive liability and burdensome regulations.

According to the bill's lead sponsor, the gentleman from Virginia, one of the primary purposes behind the introduction of the bill was to stop online gambling from occurring. However, in its current form, the legislation only prohibits certain forms of online gambling while expressly permitting several other forms to proceed unfettered. Interestingly enough, these "special interest carve-outs" were the main focal point of a recent article in *The Hill* newspaper.

In that article, the key provisions in this bill were compared to a similar Internet gambling bill that had been introduced by the gentleman from Virginia and defeated in a previous Congress. The article determined that:

... The same Internet gambling legislation Abramoff fought so hard to defeat on behalf of a client that helped states conduct lotteries over the Internet now includes an exemption to protect those lotteries.

The article went on to point out that in addition to the exemption for lotteries, the bill also included language to protect wagering on interstate pari-mutuel betting on horse races from the scope of the bill's ban.

These blanket exemptions are obviously the byproduct of powerful gambling interests and can be directly traced back to three particular provisions of the bill—sections 3, 5, and 6. Section 3, for example, includes language which expressly exempts gambling on intrastate sanctioned activities, such as lotteries.

All in all, Mr. Speaker, we can do better than what is reflected in this legislation. A bad bill is worse than no bill at all. We should retain the bill and continue working to improve it, if we can.

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TRIBUTE TO NASA ON SPACE SHUTTLE "DISCOVERY" MISSION

**HON. RON PAUL**

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 12, 2006*

Mr. PAUL. Mr. Speaker, I am pleased to introduce a resolution commending the people of the National Aeronautics and Space Administration (NASA) for the latest mission of the Space Shuttle *Discovery*. Successfully launched on July 4 this mission, known as STS-121, marks the second mission on the Return to Flight sequence. STS-121 originally was scheduled to perform just two space walks. However, due to the overall success of the launch, the mission was extended from 12 to 13 days, allowing for an additional space walk.

Among the other tasks that will be preformed on this mission are tests of shuttle

safety improvements to build on findings from *Discovery's* flight last year, including a redesign of the shuttle's external fuel tank's foam insulation, in-flight inspection of the shuttle's heat shield, improved imagery during launch and the ability to launch a shuttle rescue mission. The External Tank, which underwent work prior to the mission to reduce foam loss, performed well this time especially early in the flight when a light weight piece of foam could severely damage the tile or wing leading edge, but nothing like that happened this time. The five instances of foam loss that were experienced all occurred after the critical release time. The largest foam loss on the mission, which occurred in front of one of the ice/frost ramps on the external tank, was calculated to be .055 pounds. The mass limit in that area is .25 pounds, meaning that the loss was not even a quarter of the way to the limit. NASA is very pleased with the performance of the tank, as it is a great improvement from last year's STS-114 mission.

The STS-121 mission will also bolster the International Space Station by making a key repair and delivering more than 28,000 pounds of equipment and supplies, as well as adding a third crew member to the Space Station.

STS-121 is NASA's most photographed mission in shuttle history as more than 100 high definition, digital, video, and film cameras are helping to assess whether any debris comes off the external tank during the shuttle's launch, while four new video added to the solid rocket boosters.

Mr. Speaker, the success of STS-121 is a tribute to the skills and dedication of all NASA employees, especially the Space Shuttle *Discovery's* crew of Colonel Steve Lindsey; Commander Mark Kelly; Piers Sellers, PhD; Lt. Colonel Mike Fossum; Commander Lisa Nowak; Stephanie Wilson; and Thomas Reiter.

What philosopher Ayn Rand wrote of the moon landing in 1969 applies to the STS-121 and all of NASA's missions: "Think of what was required to achieve that mission: think of the un pitying effort; the merciless discipline; the courage; the responsibility of relying on one's judgment; the days, nights and years of unswerving dedication to a goal; the tension of the unbroken maintenance of a full, clear mental focus; and the honesty. It took the highest, sustained acts of virtue to create in reality what had only been dreamt of for millennia." I encourage all of my colleagues and all Americans to join me in commending NASA for completing STS-121 mission, and all of NASA's work.

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PERSONAL EXPLANATION

**HON. TODD TIAHRT**

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

*Wednesday, July 12, 2006*

Mr. TIAHRT. Mr. Speaker, on July 10, I was unavoidably detained and missed rollcall vote Numbers 358 and 359.

Rollcall vote Number 358 was on agreeing to H.R. 2563, to authorize the Secretary of the Interior to conduct feasibility studies to address certain water shortages within the Snake, Boise, and Payette River systems in Idaho, and for other purposes. Had I been present, I would have voted "yea."