

Confusion over US and WTO agreement

Statements released late last week by the United States and the European Union (EU) in the wake of a trade agreement that kept the two out of a World Trade Organization arbitration panel are creating confusion.

The EU wanted compensation for America's refusal to open up its online gambling market to foreign companies, a breach of WTO rules, under legislation passed in 1997. The White House agreed a plan last week along with Japan and Canada that kept non-US gambling firms away in return for concessions.

The confusion centers on what these concessions actually entail as the US stated that the deal sees it agree to maintain existing allowances for companies from the EU, Canada and Japan who want to do business in America. However, the 27-member EU said that the deal would see it receive new trade concessions in mail services and warehousing along with market opportunities for European companies offering testing and analysis services.

„The agreement involves commitments to maintain our liberalized markets,” said Gretchen Hamel, Spokesperson for the United States Trade Representative. But, Brussels-based EU stated that Washington had also agreed to ease access to European providers of research and development in the natural sciences, social sciences and humanities.

In either case, the overall trade valuation of the package falls far short of the USD 100 billion European online gaming sites claimed the United States owed and remaining claimants now have 45 days in which to request arbitration.

“We will continue to discuss this matter with the other claimants to explain how our proposal is consistent with our

WTO obligations," said Hamel.