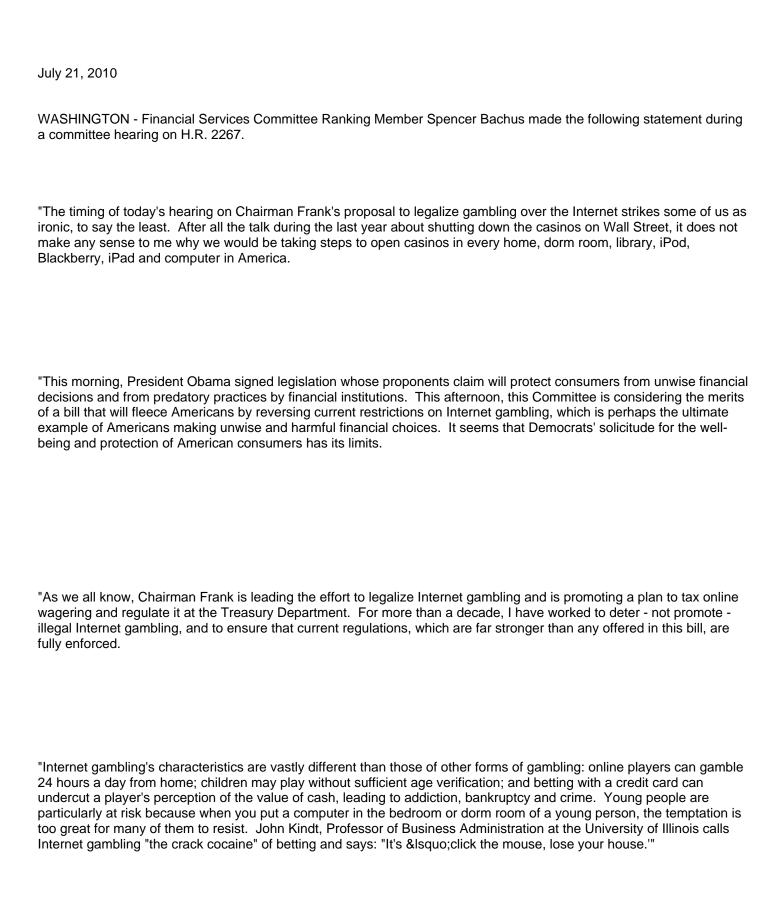
7-21-10, Bachus: After The Talk Of Shutting Down Betting on Wall Street, Democrats Move To Open Casinos In Every Home, Dorm Room



"Since this Congress took action in 2006 to address the scourge of Internet gambling, offshore gaming interests have been relentless in their campaign to repeal the law, or at least, to undermine it. Lots of these groups have innocuous names like, "The Safe and Secure Internet Gambling Initiative." But in spite of their names, these are large corporate interests that are protecting their bottom line at the expense of addiction and destruction to our homes and communities. That is why it makes no sense to me how the same Democrats who claim they are protecting consumers by further regulating Wall Street can say with a straight face that unleashing Internet gambling will keep kids from becoming Internet gamblers.
"Finally, I want to make a point about revenues. Last October, in response to a request from Rep. McDermott, who has introduced companion legislation to H.R. 2267 to tax Internet gambling, the Joint Committee on Taxation produced four different revenue estimates of the revenue-generating potential of the two bills. The Committee concluded that the amount of those revenues depends almost entirely on the federal preemption made possible by H.R. 2267.
"H.R. 2267 does provide a restrictive opt-out mechanism through which the States may decline to participate in the Federal licensing system. However, the Joint Committee on Taxation's most expansive of four different estimates \$42 billion is based on discarding even these State opt-out rights in favor of complete federal preemption. In that estimate, the Joint Committee explicitly assumed that "no State or tribal government will be permitted to limit federally licensed Internet gambling operators from providing online gambling services in their jurisdictions." In other words, the McDermott bill will generate \$42 billion only if H.R. 2267's opt-out procedure its principal provision for preserving the States' ability to protect their citizens against the harms that flow from gambling over the Internet is eviscerated. The Joint Committee on Taxation estimate that is most closely based on the texts of the Frank and McDermott bills indicates that they will generate just \$10 billion in Federal revenue. That wouldn't even pay for half of the funding needed for Chairman Frank's so-called Wall Street reform bill.
"This rush to embrace Internet casino gambling seems at least partially motivated by the Majority's desperate search for more revenue to pay for an ever-bigger Federal government. I ask my colleagues: how does raking in cash from gambling addicts differ from taking a cut from the heroin sold to drug addicts? Is the logic that if we don't, somebody else will? I'm sorry, but the Federal government should not take advantage of the young, the weak and the vulnerable in the name of new revenues to cover more government spending.
"Considering that the social and economic harm done to America's families and to young people from unlawful Internet gambling is well-documented, I ask: is addicting the Federal government to Internet gambling taxes really worth it? This new legislation would create a Federal right to gamble that has never existed in our country's history, allowing gamblers to place bets not only on their home computers, but also from their Blackberries as they drive home from work or their iPhones as they wait in line at the grocery store. No amount of regulation can begin to protect against this particularly predatory intrusion into American homes.

"Mr. Chairman, I strongly oppose the bill and will do everything in my power to stop it."