

THE FINANCIAL SERVICES ROUNDTABLE

Impacting Policy. Impacting People.



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November 3, 2009

The Honorable Timothy F. Geithner
Secretary of the Treasury
United States Department of Treasury
Washington, D.C. 20220

The Honorable Ben S. Bernanke
Chairman
Board of Governors of the Federal Reserve System
20th and Constitution Avenue, NW
Washington, D.C. 20551

Dear Secretary Geithner and Chairman Bernanke:

We are writing to join House Financial Services Committee Chairman Barney Frank and the other Members of the House of Representative and United States Senate who have communicated with you, to urge that you act under powers granted by the Administrative Procedures Act to delay by one year the compliance deadline for the final rule implementing the Unlawful Internet Gambling Enforcement Act of 2006 (UIGEA). As you are aware, a petition has been filed with your offices to extend the compliance deadline beyond December 1, 2009, and we urge you to act expeditiously to accept the petition.

UIGEA has been the subject of much controversy. The law was passed by non-traditional procedural means, and the final rule to implement the law was issued on the last night of the previous Administration. Meanwhile, Chairman Frank and the regulated community have heard from regulators repeatedly that the underlying law is imprecise, impractical and burdensome. While the final rule reflects the best work of regulators who have been given a virtually impossible task, Roundtable member companies remain concerned that that law is significantly burdensome given its purported benefit.

Our members remain concerned that the regulation contains no bright-line definition of an unlawful Internet gambling transaction, and still there exists a nebulous standard by which to judge an employee's "actual knowledge" that a commercial customer engaged in such a transaction.

Roundtable members intend to be compliant with the law December 1, 2009; many, if not all, are in the final stages of building out compliance regimes. Repeatedly, however, we are hearing that given the rule, and the problem that it seeks to address, it is unlikely that the law will have any certain effect but to burden banks and frustrate legitimate commerce.

For this reason, we urge you to act expeditiously to delay implementation of this regulation to allow policy makers time to examine alternative means to police unlawful Internet gambling.

Thank you for your consideration of this matter.

Best regards,

A handwritten signature in black ink, appearing to read "Steve Bartlett". The signature is written in a cursive, slightly slanted style.

Steve Bartlett
President and CEO

A handwritten signature in black ink, appearing to read "Leigh Williams". The signature is written in a cursive, slightly slanted style.

Leigh Williams
President, BITS