BARNEY FRANK, MA, CHAIRMAN

U. S. House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

SPENCER BACHUS, AL, RANKING MEMBER

October 1, 2009

The Honorable Timothy Geithner
Secretary of the Treasury
U.S. Department of Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

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

Dear Secretary Geithner and Chairman Bernanke:

As Members of the Financial Services Committee, we are writing to strongly urge you to use your authority under the Administrative Procedure Act to respond favorably to a petition recently filed by the National Thoroughbred Racing Association (NTRA), American Greyhound Track Operators Association (AGTOA), and Poker Players Alliance (PPA), to extend the date of compliance for the final regulations implementing the Unlawful Internet Gambling Enforcement Act (UIGEA) by one year.

On January 19, the Federal Reserve and Treasury Department issued regulations implementing the UIGEA but this rulemaking has saddled your agencies with the implementation of the flawed statute. We realize this is not a task you requested. We also believe this is an unreasonable burden on regulators and the financial services industry at a time of economic crisis, and it contradicts the stated intent of the Financial Services Committee.

As you know, at our hearing in April 2008, the testimony of regulators and the industry indicated that it would be particularly difficult to craft workable regulations to effectively enforce the statute without having a substantial adverse effect on the payments system. Subsequently, we considered legislation (H.R. 5767, later H.R. 6870) that would prohibit the implementation of these flawed rules and replace them with a formal rulemaking process that would define the term "unlawful internet gambling," something the final rules fail to do. H.R. 6870 was then passed by the Financial Services Committee on September 16, 2008, by a vote of 30-19, but Congress adjourned before it could be considered by the full House. We have legislation currently pending (H. R. 2266) which would move the compliance date back one year to December 1, 2010. We believe this legislation is likely to move.

In closing, we once again strongly urge you use your authority to grant the petitioners' request for a delay in the implementation of these major and deeply flawed regulations.

Sincerely,

BARNEY FRANK
Chairman

PETER KING
Member of Congress

LUIS V. GUTIERREZ
Chairman
Subcommittee on Financial Institutions and Consumer Credit

RON PAUL
Ranking Member
Subcommittee on Domestic Monetary Policy and Technology

MELVIN L.WATT
Chairman
Subcommittee on Domestic Monetary Policy and Technology

JUDY BIGGERT
Ranking Member
Subcommittee on Oversight and Investigations

GARY ACKERMAN
Member of Congress

LEONARD LANCE
Member of Congress

MICHAEL CAPUANO
Member of Congress

WILLIAM LACY CLAY
Member of Congress

PAUL W. HODES
Member of Congress

RON KLEIN
Member of Congress

ED PERLMUTTER
Member of Congress

BILL FOSTER
Member of Congress

ANDRE CARSON
Member of Congress

WALT MINNICK
Member of Congress

STEVE DRIEHAUS
Member of Congress

JIM HIMES
Member of Congress

DAN MAFFEI
Member of Congress