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November 4, 2009

The Honorable Timothy F. Geithner
Secretary of the Treasury
United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, DC 20220

The Honorable Ben S. Bernanke
Chairman
Federal Reserve Board
Eccles Board Building
20th and C Streets, NW
Washington, DC 20551

Re: Delay of Implementation of Regulation GG

Dear Secretary Geithner and Chairman Bernanke:

The American Bankers Association (ABA)¹ respectfully requests you to exercise your authority under the Administrative Procedure Act (APA) to delay mandatory implementation of Regulation GG implementing the Unlawful Internet Gambling Enforcement Act (UIGEA).

The Chairman of the House Financial Services Committee, the Honorable Barney Frank, the Honorable Peter King, and several other members of the House of Representatives, submitted a letter dated October 1, 2009, asking for a delay in implementing the UIGEA regulations. In this letter, Chairman Frank recognized that your agencies were charged with the implementation of a flawed statute, and as a result the implementing regulations represented an unreasonable burden on regulators and the financial services industry at a time of economic crisis. ABA strongly supports postponement of the mandatory compliance date.

ABA recognizes and appreciates the efforts of the Department of the Treasury and the Board of Governors of the Federal Reserve System (the Agencies) to implement UIGEA in a workable manner that limits the regulatory burdens associated with pursuing the statutory mandate. However, ABA believes that the final rule, in large part due to the nature of the statute itself, imposes burdensome processes for

¹ The ABA brings together banks of all sizes and charters into one association. The ABA works to enhance the competitiveness of the nation's banking industry and strengthen America's economy and communities. Its members – the majority of which are banks with less than \$125 million in assets – represent over 95 percent of the industry's \$13.3 trillion in assets and employ over 2 million men and women.

intercepting transaction activity that impairs the efficient functioning of the payments system and exposes banks to unwarranted liabilities. We believe that UIGEA will result in a compliance trap that will damage the competitiveness of the American payments system.

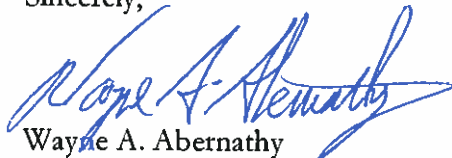
The mandatory compliance date of December 1, 2009, is fast approaching and all banks are working as best they can to meet this deadline. Delaying mandatory compliance of the final rule by one year, would give Congress additional time to revisit this legislation.

Since the final rule has been in effect since last January, any delay in the compliance date should be fashioned to allow banks the latitude to implement procedures they have been preparing to comply with the final rule's requirements and to rely on the safe harbors provided. It should also permit banks to choose to delay putting the final rule's requirements into effect pending further refinement in the legislation during the one year pause in the regulatory mandate.

Finally, as ABA testified at the April 2008 hearing mentioned in Chairman Frank's letter, banks and other payments system participants must retain the operational flexibility to refuse any gambling or otherwise uncertain transactions for compliance or business reasons without incurring legal liability for doing so.

We appreciate the opportunity to submit this request. If the Agencies have any questions regarding this submission, please contact the undersigned or ABA Vice-President Steve Kenneally at 202-663-5147 or via email at skenneally@aba.com.

Sincerely,



Wayne A. Abernathy
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Financial Institutions Policy
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