



Credit Union National Association

cuna.org

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September 15, 2008

The Honorable Barney Frank
Chairman
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20510

Dear Chairman Frank,

On behalf of the Credit Union National Association (CUNA), I am writing in support H.R. 6870, *the Payment System Protection Act*. CUNA is the nation's largest credit union advocacy organization, representing 90% of our nation's approximately 8,300 state and federal credit unions, which serve over 90 million members, and state credit union leagues.

As introduced, H.R. 6870 would place a moratorium on the implementation of regulations enforcing the *Unlawful Internet Gambling Enforcement Act* (UIGEA) proposed by the Department of Treasury and the Federal Reserve Board. The bill requires the Department of Treasury and the Federal Reserve to engage in a formal rulemaking process which would including defining the term, "unlawful Internet gambling" (which is defined neither in UIGEA nor in the proposed regulation), and promulgating a new regulation. CUNA strongly opposes the proposed regulation and supports H.R. 6870.

It is worth noting that, unlike the bill that the Financial Services Committee considered earlier this year, H.R. 6870 does not mandate that the Department of Treasury compile and maintain a list of unlawful internet gambling sites, similar to the Office of Foreign Assets Control (OFAC) list. We feel very strongly that such a list is absolutely essential for credit unions and other financial institution to be able to comply with the extraordinary burdens of UIGEA. Without such a list, there is no way for financial institutions to know which entities are unlawful Internet gambling providers. We appreciate that nothing in this legislation or UIGEA prohibits the regulators from producing and maintaining an OFAC-like list. We will use every opportunity, including the regulatory hearings which would be required under this bill, to encourage the regulators to do so, and hope you will do so as well.

Without this legislation, credit unions and other financial institutions would be forced to comply with a regulation that does not even define the type of transactions that would be required to be blocked. While it is not the perfect remedy, this bill is a step in the right direction toward getting the clarity that financial institutions need in order to even have a chance of complying with UIGEA. We urge support for H.R. 6870.

Sincerely,

A handwritten signature in black ink that reads "Daniel A. Mica".

Daniel A. Mica
President & CEO



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