

From: "Dan Michalski" <danm@pokerati.com> on 12/10/2007 08:35:02 PM

Subject: Reg. GG -- Internet gambling

Jennifer J. Johnson
Secretary
Board of Governors of the Federal
Reserve System
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Washington, DC 20551

Department of the Treasury
Office of Critical Infrastructure
Protection and Compliance Policy
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Main Treasury Building
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Ladies and Gentlemen:

I am writing to express my concerns over the regulations presently proposed under the Unlawful Internet Gambling Enforcement Act.

The Act requires the Treasury Department and the Board of Governors of the Federal Reserve to issue regulations that designate payment systems which could be used in connection with "restricted transactions" and require designated payment system participants to establish policies and procedures reasonably designed to identify and block "restricted transactions." "Restricted transactions" are defined as those involving funds being transmitted directly or indirectly to Internet betting or wagering businesses, where the bets or wagers are unlawful under any applicable Federal, State or Tribal law.

Unfortunately, although the proposed regulations designate the payment systems and set forth the policies and procedures to be implemented, they do little to identify what are "restricted transactions." Instead, they admit that determining what is legal illegal under Federal, State or Tribal law is too difficult for the government and pass that responsibility on to the payment systems and participants, compelling them to block the "restricted transactions" and providing them with immunity if they also block legal transactions.

In so doing, I think the Government manages to simultaneously shirk its responsibility and abuses its power. It shirks its responsibility by refusing to identify transactions as being legal or illegal, and it abuses its authority by dumping that responsibility on the private sector and encouraging the blocking of legal transactions.

I am expressing my concern not only in the interest of good, sensible governance, but also because I am almost certain to be deprived of the ability to engage in entirely legal activity if the regulations are issued as proposed. For I am one of the millions of people in the United States who legally play in online poker tournaments. I am a resident of the State of Texas and internet poker tournaments are exempt from the States gambling laws as bona fide contests of skill. Consequently, rather than travel to the Kickapoo Lucky Eagle casino in Eagle Pass, Texas, or the WinStar Casino in Oklahoma, I chose to play on the Internet from the comfort of my home.

However, although I know my playing in Internet poker tournaments is legal, the payment systems and participants almost certainly do not. Faced with grave consequences if they permit illegal transactions and immunity if they block legal transactions, they can be expected to block all poker transactions, regardless of the fact that they originate in states where the game is entirely legal.

I ask you to rescind the proposed regulations and issue effective regulations which identify the illegal forms of gambling, game by game and state by state. Only in that way can the payment systems and participants implement the polices and procedures required by the Act without inadvertently and egregiously interfering with entirely legal activities.

Sincerely,

Dan Michalski
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