

**Steven J. Miller
341 Grenola Street
Pacific Palisades, CA 90272**

December 10, 2007

**Jennifer J. Johnson
Secretary
Board of Governors of the Federal Reserve System
20th St. & Constitution Avenue, NW
Washington, DC 20551**

Re: FRB Docket No. R-1298; Treasury Docket No. DO-2007-0015; Prohibition on Funding of Unlawful Internet Gambling; 72 Federal Register 56680; October 4, 2007

Dear Ms. Johnson:

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 or illegal under Federal, State or Tribal law is beyond the capability of any government entity. Instead, it is proposed that the responsibility to define and administer "restricted transactions" be passed on to financial institutions and payment systems, compelling them to block the "restricted transactions", while providing them with immunity should they also act to block legal transactions.

In so doing, 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; it abuses its authority by transferring that responsibility to the private sector; and it encourages the unintended blocking of any and all legal transactions.

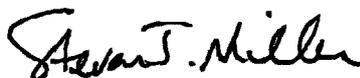
I am expressing my concern not only in the interest of good governance, but because I am almost certain to be deprived of the ability to engage in entirely legal internet activity if the regulations are issued as proposed.

I am one of the millions of Americans who legally play in online poker tournaments. I am a resident of the state of California. California's gambling laws only prohibit house and percentage card games, that is, games where the house plays or takes a percentage of the pot. The house does not play in internet poker games and does not take a percentage of the pot in tournaments. Consequently, internet poker tournaments are entirely legal in this State. Rather than travel to the one of more than one hundred brick-and-mortar casinos and card rooms in the state where table poker is legally played, I prefer to play online from the comfort and safety of my home.

However, although I know that internet poker tournaments are legal in California, the payment systems and participants almost certainly do not. Faced with grave consequences if they permit poorly-defined illegal transactions, but immunity if they block legal transactions, they can be expected to block *all* transactions, regardless of the fact that they originate in states where the underlying activities are entirely legal.

I ask you to rescind the proposed regulations and issue effective regulations that clearly identify illegal forms of gambling, game by game and state by state. Only by so doing can financial institutions and payment systems implement the policies and procedures required by the Act without inadvertently and egregiously interfering with entirely legal activities.

Sincerely yours,



Steven J. Miller