



AMERICANS *for* TAX REFORM

Grover G. Norquist
President

April 1, 2008

To: all Members of the Financial Services Committee
Re: Hearing on UIGEA Regulations

Dear Financial Services Committee Member,

On Wednesday, April 2, 2007, the Subcommittee on Domestic and International Monetary Policy will hold a hearing entitled "Proposed UIGEA Regulations: Burden Without Benefit." On behalf of the members of Americans for Tax Reform, I am writing to convey our concerns about the proposed UIGEA regulations.

As you may know, during consideration of UIGEA, ATR voiced its concerns about deputizing banks and payment systems and turning them into the enforcers of morality on the Internet. However, if the government is to take this extraordinary step, it should be done in a minimally intrusive manner.

I am attaching a copy of the comment letter that ATR, along with several other pro-freedom groups, filed during the comment period on this proposed rule. We remain concerned about the implications of this rule in terms of personal freedom, personal privacy and regulatory burden on the banking industry, regulatory clarity and international trade.

I encourage the committee members to vigorously exercise their oversight authority with respect to these proposed regulations, and to press the regulatory agencies to modify the proposed rule to make it clearer and less burdensome.

Sincerely,

Grover Norquist
President,
Americans for Tax Reform

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December 10, 2007

The Honorable Jim Nussle
Director, Office of Management and Budget
Eisenhower Executive Office Building
1650 Pennsylvania Ave., NW
Washington, DC 20503

Dear Director Nussle,

We are a coalition of organizations concerned with individual rights and freedoms representing hundreds of thousands of individual members from every walk of American life. We are writing today with our concerns over the implementation of the Unlawful Internet Gambling Enforcement Act of 2006.

The rules governing the UIGEA could have dire unintended consequences if not done with the utmost care.

The proposed regulation offers no clear-cut definition of what constitutes "gambling," therefore, if the regulations governing the UIGEA are written too broadly it could force credit card institutions into a situation where they would be blocking legitimate online transactions in order to protect themselves from criminal penalties and have unintended consequences that harm consumers.

Further, we are concerned that attempts to enforce this law would open up individuals to a violation of their privacy as government officials or financial institutions comb through all manner of online transactions seeking confirmation or refutation of suspicion of now illegal online gambling charges. Financial institutions could find themselves in a situation where they block lawful transactions simply as a defense mechanism against allowing "illegal" transfers to go through.

You can see how vaguely written rules could open up a Pandora's Box of confusion.

The rule implementing this law should circumscribe "gambling" in as limited way as possible. The distinction between what constitutes a violation of the UIGEA and what does not must be made clear so as to avoid any situation where an individual's rights might be infringed upon in the name of enforcement of an ambiguously written statute. We would therefore urge that you direct the agencies to refrain from finalizing the proposed rule until they have completed a separate proceeding to clarify, on a state-by-state basis, what transactions constitute "unlawful Internet gambling" for the purpose of the rule and the Act."

Sincerely,



Grover Norquist
President,
Americans for Tax Reform



James L. Maritn
President,
60 Plus Association

Michael Flynn
Director of Government Affairs
Reason Foundation

Doug Bandow
Vice President for Policy,
Citizen Outreach Project



Michael D. Ostrolenk
National Director,
Liberty Coalition



Derek Hunter
Executive Director,
Media Freedom Project