

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 6870
OFFERED BY MR. FRANK OF MASSACHUSETTS**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Payments System Pro-
3 tection Act of 2008”.

4 SEC. 2. PROHIBITION.

5 (a) IN GENERAL.—The Secretary of the Treasury
6 and the Board of Governors of the Federal Reserve Sys-
7 tem, whether acting jointly or separately, may not pro-
8 pose, prescribe, or implement any regulation under sub-
9 chapter IV of chapter 53 of title 31, United States Code,
10 or otherwise give effect to such subchapter or any such
11 regulation, including the proposed regulations published in
12 the Federal Register on October 4, 2007, except to the
13 extent as any such regulation pertains to unlawful Inter-
14 net sports gambling or except as provided in section 3.

15 (b) INTERIM FINAL REGULATIONS ON UNLAWFUL
16 INTERNET SPORTS GAMBLING.—Before the end of the 60-
17 day period beginning on the date of the enactment of this
18 Act, the Secretary and the Board of Governors of the Fed-

1 eral Reserve System, in consultation with the Attorney
2 General, shall jointly prescribe interim final regulations as
3 required by subchapter IV of chapter 53 of title 31, United
4 States Code, to the extent that such regulations pertain
5 to unlawful Internet sports gambling.

6 (c) UNLAWFUL INTERNET SPORTS GAMBLING DE-
7 FINED.—

8 (1) IN GENERAL.—For purposes of this Act,
9 the term “unlawful Internet sports gambling” means
10 bets or wagers placed over the Internet on a lottery,
11 sweepstakes, or other betting, gambling, or wagering
12 scheme based, directly or indirectly (through the use
13 of geographical references or otherwise), on 1 or
14 more competitive games in which amateur or profes-
15 sional athletes participate, or are intended to partici-
16 pate, or on 1 or more performances of such athletes
17 in such games.

18 (2) EXCEPTION.—For purposes of paragraph
19 (1), the term “competitive games in which amateur
20 or professional athletes participate” does not include
21 events described in section 3704 of title 28, United
22 States Code (parimutuel animal racing or jai-alai
23 games).

24 (d) TREASURY LIST OF UNLAWFUL INTERNET
25 SPORTS GAMBLING BUSINESSES.—No regulations under

1 subsection (a) to implement the requirements of section
2 5364 of title 31, United States Code, shall be effective
3 unless such regulations—

4 (1) require the Secretary of the Treasury to
5 compile and maintain a list of unlawful Internet
6 sports gambling businesses; and

7 (2) do not require any person to block or refuse
8 to honor any transaction, or prohibit the acceptance
9 of any product or service of such person, other than
10 in connection with a business on the list maintained
11 by the Secretary.

12 **SEC. 3. RULEMAKING TO IMPLEMENT SUBCHAPTER ON**
13 **PROHIBITION ON FUNDING OF UNLAWFUL**
14 **INTERNET GAMBLING AND DEFINE UNLAW-**
15 **FUL INTERNET GAMBLING.**

16 (a) IN GENERAL.—Notwithstanding section 2, the
17 Secretary of the Treasury and the Board of Governors of
18 the Federal Reserve System, in consultation with the At-
19 torney General, shall jointly develop and implement regu-
20 lations (which the Secretary and the Board jointly deter-
21 mine to be appropriate), on the record after opportunity
22 for agency hearing involving an administrative law judge
23 or similar official, under subchapter IV of chapter 53 of
24 title 31, United States Code, that shall include a definition
25 of the term “unlawful Internet gambling” for purposes of

1 such subchapter and such regulations, after conducting a
2 full economic impact study of the proposed regulations
3 under chapter 6 of title 5, United States Code (commonly
4 referred to as the “Regulatory Flexibility Act”).

5 (b) TREASURY LIST OF UNLAWFUL INTERNET GAM-
6 BLING BUSINESSES.—No regulations under subsection (a)
7 to implement the requirements of section 5364 of title 31,
8 United States Code, shall be effective unless such regula-
9 tions—

10 (1) require the Secretary of the Treasury to
11 compile and maintain a list of unlawful Internet
12 gambling businesses; and

13 (2) do not require any person to block or refuse
14 to honor any transaction, or prohibit the acceptance
15 of any product or service of such person, other than
16 in connection with a business on the list maintained
17 by the Secretary.

18 (c) COORDINATION WITH PROHIBITION.—Upon the
19 effective date of final regulations under subsection (a),
20 section 2 shall cease to apply.

