

# United States Senate

WASHINGTON, DC 20510

May 16, 2016

The Honorable Gene Dodaro  
Comptroller General of the United States  
U.S. Government Accountability Office  
441 G Street NW  
Washington, DC 20548

Dear Mr. Dodaro:



The financial services industry has seen significant developments in recent years as technological advancement and adoption have created opportunities for both established firms and new entrants alike. Innovation related to payments has been particularly pronounced as we have seen job creation driven by new services targeted at improving the efficiency, security, and speed of electronic payments for consumers, merchants, and other businesses.

The payments industry includes banks, credit unions, credit card networks, payments processors, merchants, payment network operators, telecommunications companies and technology innovators, among others. These companies are overseen by a disparate group of regulators including federal bank regulators, state regulators, and other federal agencies.

Congress and federal regulators must ensure that laws and regulations related to mobile payments foster innovation while protecting consumers. To this end, we are seeking to better understand current regulations and ongoing efforts at the state and federal levels related to mobile payments. In particular, we request that GAO respond to the following questions:

1. How have federal agencies adopted and promoted the use of new payments technologies, such as the use of electronic payments for Supplemental Nutrition Assistance Program (SNAP) benefits at farmers markets or the Federal Election Commission's approval of bitcoin campaign contributions?
2. Are there laws or regulations that are presenting barriers to innovation related to payments products across all market participants?
3. Are there laws or regulations that are presenting barriers to increased consumer protection related to payments products across all market participants?
4. In what ways are new payment methods and technologies, including online and mobile, driving increased security?

5. What data is collected by government regulators related to fraud incidence?
6. A May 2014 report by the Federal Reserve Bank of Boston's Director of Payment Strategies<sup>1</sup> provides an overview of mobile payments industry regulators including: the Federal Reserve Board of Governors; Federal Deposit Insurance Corporation; Office of the Comptroller of the Currency; Consumer Financial Protection Bureau; National Credit Union Administration; Conference of State Bank Supervisors; U.S. Department of Treasury's Office of Consumer Policy; U.S. Department of Treasury's Financial Crimes Enforcement Network; and the Federal Trade Commission. How and to what extent have these entities coordinated regulatory efforts with each other? With state governments? Are there other regulators that have jurisdiction in some form over mobile payments?
7. To what extent are providers of payments technology facing duplicative regulatory compliance regimes and enforcement proceedings?
8. To what extent are existing/traditional companies subject to additional regulations compared to new entrants?
9. What strategies, if any, do the relevant agencies and regulators have to address regulatory duplication, fragmentation, and current barriers to coordination?

Thank you for your timely attention to this request. If you or members of your team have any additional questions, please feel free to contact Jan Beukelman in Senator Tom Carper's office at [Jan\\_Beukelman@carper.senate.gov](mailto:Jan_Beukelman@carper.senate.gov), Brian Winseck in Senator Chris Coons' office at [Brian\\_Winseck@coons.senate.gov](mailto:Brian_Winseck@coons.senate.gov), or Fabrice Coles in Senator Gary Peters' office at [fabrice\\_coles@peters.senate.gov](mailto:fabrice_coles@peters.senate.gov).

With best personal regards, we are

Sincerely yours,



Thomas R. Carper  
Ranking Member,  
Committee on Homeland Security  
and Government Affairs



Gary Peters  
U.S. Senator



Chris Coons  
U.S. Senator

P.S. Thanks very much, Gene!

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<sup>1</sup> Susan Pandy, "Update on the U.S. Regulatory Landscape for Mobile Payments," *Federal Reserve Bank of Boston*, August 18, 2014.