

From: Tech Friends, Inc., Bob Shipman  
Subject: Reg II - Debit card Interchange

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Comments:

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Proposal: Regulation II - Debit Card Interchange Fees and Routing

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Comments:

We strongly support the proposed interchange cap of \$.12 per transaction. As we all know, computing power has grown at a tremendous rate for many years. We've seen amazing advances which have lead to dramatic efficiencies in operations.

These same efficiencies have dropped debit card transaction costs to a fraction of what was required 30 years ago. Based on interchange rates, these efficiencies and cost savings have not been passed on to the consumer.

Obviously, many banks and credit unions have absorbed these fees and provided the consumer no additional benefits. There have been many comments given that forecast the death of free checking and the awful consequences to consumer.

Somehow banks survived and were profitable long before the advent of interchange revenue. Certainly there are some poorly run institutions that will be negatively impacted by the legislation-obviously the ones lobbying the hardest to weaken this proposal. However, this is a zero sum game-any fees not collected by the bank will be left in the hands of the retailer. I submit that the retailer is the true engine of the economy. Instead of lining bank executive pockets, I'd rather give that extra 1.5% to Apple for iPad improvements, Amazon for more entertainment choices, or even Google for improving my searches. These are innovators. These are American companies who could be using these fees for American advancement. I own a small business and can say without reservation that the interchange fees on debit cards negatively impact my customers. There are products we can't sell and services we can't provide profitably due to the interchange fees which bear no relation to the actual cost of an electronic transaction. I encourage you to continue bringing interchange rates back to reality. They should not be a hidden profit center for banks. Sincerely, Bob Shipman President Tech Friends, Inc.