

From: First Financial USA, John Eliason  
Subject: Reg I I - Debit card Interchange

---

Comments:

Date: Jan 24, 2011

Proposal: Regulation II - Debit Card Interchange Fees and Routing  
Document ID: R-1404  
Document Version: 1  
Release Date: 12/16/2010  
Name: John Eliason  
Affiliation:  
Category of Affiliation: Commercial  
Address:  
City:  
State:  
Country:  
Zip:  
PostalCode:

Comments:

The truth, it appears, is that Durbin is created and supported by BIG BUSINESS. BIG BUSINESS will be the ones who significantly benefit - not the hometown main street merchant and certainly not the general public. Most hometown main street merchants are unaware that these BIG BUSINESS already enjoy a better debit card interchange rate than small/medium business. By allowing Durbin to go into affect will actually cause BIG BUSINESS to get BIGGER at the expense of us all - including potential lost jobs in the financial services and banking industry and without any real gain in small/medium retail business, where this is supposed to help. Maybe better (and simpler) steps would be to: 1) Allow merchants to give a discount for cash or checks, really this should be up to them anyway. 2) Allow all (small & medium) businesses the same lower interchange rate that BIG BUSINESS currently enjoy. This should help level the playing field for all business - especially small/medium business.

This is a very complicated affair and it concerns me greatly. Durbin going into affect will not help our nation's current economic situation. It will raise fees in other areas (for everyone) and our country - goodbye free checking, hello bank fees for all of us! Our nation would have invested valuable energy and effort into futile process without real net benefit to any of us. There may be serious upheaval with some banks (isn't banking in an already fragile economic state), non business people who hold shares in these institutions could be hurt and now we'd have government regulation. Card processing companies like ours may be forced to reduce customer service staff and we'll all be asked to pay more taxes to monitor an area that was working pretty well already. It seems we're being manipulated by BIG BUSINESS that just wants to get bigger. A very similar process was undertaken in Australia a few years ago. It didn't work the way it was spun - things usually don't. I respectfully encourage you to repeal completely the Durbin Amendment. Sincerely, John Eliason CEO, First Financial USA PS - Allow the free market to correct the situation. There are new payment methods being developed that

merchants may choose to use. Durbin could also very well undermine the next best thing.