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Even Barney Frank himself agreed with the card issuers that the fees set by the Federal Reserve is too low for them to cover the full cost of running the card operation! How can the Fed or the government decide arbitrarily what's a fair amount of interchange fee to charge? Is the government running the private business? Does it have any intimate knowledge of the full cost of running such an operation? Apparently NOT. See below: Dec 17 (Reuters) - The Federal Reserve's proposal to limit debit card fees would not allow card companies to cover the full cost of transactions, U.S. House Financial Services Chairman Barney Frank said in an interview on CNBC. The proposal released on Thursday would generally limit debit "interchange" fees at 12 cents per transaction. The average interchange fee for all debit transactions was 44 cents in 2009, the Fed said. "I think the way it was written, the amount the credit card companies are allowed to charge is too low," he said. "It does not reflect the full cost of all that you have to do if you are running a credit card operation." (Reporting by Dave Clarke. Editing by Robert MacMillan)