

From: Jenna Burg
Subject: Reg II - Debit card Interchange

Comments:

January 31, 2011

Federal Reserve Board
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Dear Federal Reserve Board:

I am writing to enlist your help in repealing or delaying the debit provisions of the Dodd-Frank Act, which I believe are harmful to consumers, financial institutions and the overall economy.

The Federal Reserve has proposed artificially low caps on debit interchange that do not reflect the true costs of running a secure, reliable and efficient debit network, which may force financial institutions to raise consumer fees or reduce debit services. Even the authors of the broader bill, retired Senator Christopher Dodd (D-CT) and Representative Barney Frank (D-MA), have said the Federal Reserve overreached. In addition, the elimination of economic incentives may deter investment in system improvements and advancements, like mobile payments, and the routing and exclusivity requirements may eliminate consumer choice and undermine data security.

Overall, the debit provisions are inconsistent with basic American free enterprise principles; price regulation has generally proven to be a failure, producing unintended consequences, stifling innovation and competition and harming the very people the financial legislation was designed to protect. As a result, consumers may pay more, get less and have no choice - and the provisions pose a tremendous threat to all financial institutions, large and small.

Please consider repealing the legislation or at the very least delay the effective date of the Federal Reserve's rulemaking for two years, hold hearings on and direct joint federal agencies to study the debit provisions' impact, and take appropriate additional action as suggested by the study results.

Sincerely,

Jenna Burg