

From: John Clark
Subject: Reg I I - Debit card Interchange

Comments:

February 9, 2011

Dear Federal Reserve:

Please support my business and other businesses in our area by supporting the Federal Reserve's rulemaking efforts on debit swipe fees. The swipe fee reforms passed as part of the Dodd-Frank Act are an important first step to reign in these anti-competitive and excessive fees. It says that if the card giants continue to centrally fix fees, then those fees will be limited by the Federal Reserve to what is reasonable and proportional to banks' real costs. As a supermarket operator my profit margin falls well below 2 percent. As swipe fees increased exponentially over the past decade to over \$50 billion in 2008 alone, my profit margin has continued to shrink.

Costs of doing business are one thing, but to send more money out the door than we are making while banks all charge the same schedule of fees and refuse to compete is not acceptable to me. Obviously, with fees this high I can't help but raise my prices to keep making a profit - and that means my customers are the ones getting hurt the most by this.

Centrally fixed fees should not be allowed at all - Congress and the Fed prohibited them on paper checks nearly a century ago - but the debit card swipe amendment is more generous to banks than the rules on check transactions are. The amendment also exempted every single bank or credit union with less than \$10 billion in assets. That includes 99% of all institutions, so swipe fee reforms just apply to the biggest banks in the nation.

The Federal Reserve is writing the rules on this now. They aren't as strong as I'd like - they ought to outright prohibit the centrally fixed fees - but they are a good step in the right direction. We haven't seen any relief yet and credit card fees still haven't been dealt with at all, but we look forward to some relief coming when the rules are scheduled to go into effect in July.

I can't tell you strongly enough how important this is to businesses like mine. Please support the Federal Reserve's rulemaking efforts and help us push for more relief from these fees in the future. I am counting on your support.

Sincerely,

John Clark