

From: Bank of the West , Larry Patton  
Subject: Reg I I - Debit card Interchange

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Comments:

Reference is made to the Debit Interchange legislation and without restating the position that is being taken by all of the industry's trade associations, we are opposed to this proposal. As a community bank smaller than \$10 billion, this proposal will not serve to protect community banks as it will further place us under a disadvantage against the larger banks. This proposal does not serve to provide consumer protection, it serves to enhance the profits of the large retailers that have their customers use this technology to pay immediately for purchases that the customer and the retailer are protected against any fraud associated with the transaction. The banks, regardless of size, assume that risk entirely. Surely, nobody believes that any savings the large retailers receive in reduced interchange fees will be passed on to the consumer, so how does the consumer benefit. If the retailers want lower fees than they should assume the risk, the banking industry would be happen to pass it on to them.

This is bad legislation.

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