

From: Thomas Robinson
Subject: Reg I I - Debit card Interchange

Comments:

February 16, 2011

Jennifer J Johnson
Secretary, Board of Governors of the Federal Reserve System
20th St and Constitution Ave, NW
Washington, DC 20551

Dear Jennifer Johnson:

I am concerned that the implementing regulation for this section of the law, if not properly crafted, may have unintended consequences for consumer choice, the protection of consumer information and Congress intent to reduce the burdens on community banks, credit unions and government benefits programs. The Federal Reserve's proposed implementation of the Durbin provisions of the Dodd-Frank is in essence price fixing by the government. The proposed rule went much further than the law. Rather than establishing standards for assessing interchange rates as required by Dodd-Frank, the Federal Reserve's proposal imposes specific fee limitation.

The rules proposed today are the result of retailers' efforts to get Congress to interfere in market pricing, and will result in diminished revenue that banks currently use to fight fraud, make loans, and provide low cost basic banking services. If Congress had attempted to regulate retailers' pricing you would have heard them say stay out of fixing our prices. It has been said that retailers' will lower their costs and pass that on to the consumer. I don't think you will find anyone who really believes that will happen. They have already factored this cost into their pricing.

My bank is a \$xxxxxx dollar bank community of 50,000 people. Our bank did over 40,000 debit card transactions in January 2011. Customers enjoy the convenience of a debit and many like the fact that unlike a credit card they can only spend what they have in the bank.

Given the importance and all the many factors that come into play with this proposal, I believe the Federal Reserve must take additional time to analyze this rule and what it means to the banking industry and consumers. Congress didn't get an opportunity to debate the Durbin provision, I hope the Federal Reserve does take the time to look carefully at the rule after they have heard from the financial industry.

Sincerely,

Thomas Robinson