From: Edward Connelly

Subject: Reg I I - Debit card Interchange

Comments:

February 18, 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:

The Fed's implementation of the Dodd-Frank debit card interchange fees and transaction routing imposes arbitrary transaction fees and fixes revenue and excludes the cost side of the equation entirely. The Fed should delay implementation to allow adequate time and opportunity for an acceptable solution that all providers can support. Small banks lack the economies of scale that larger banks have in transaction volumes and the imposition of these limits could have the effect of pushing small banks out of the debit card business. Many of the services customers expect without fees for debit card usage could result in the bank offering only in return for a fee. The end result would be the customers would pay more and be unhappy, as a result move their accounts to the big banks that can afford to offer without fees, or reduce our customer usage to a level that we would no longer offer the service. The Fed normally does a much better job soliciting banks for their input. In such a far reaching service throughout the banking system the Fed should make sure to get this right. With the current economic stresses facing bankers across the country, the Federal Government and the Federal Reserve should listen to what we bankers are saying and re-think proposals that can have such a detrimental impact on banks and the customers they serve.

Sincerely,

Edward B. Connelly