

From: Tech CU, Michael M. Hussey
Subject: Reg I I - Debit card Interchange

Comments:

Secretary Johnson

We are concerned that the proposed rule does not include provisions to enforce the small issuer exemption and does not insure that payment card network operators will provide a two-tiered interchange system. We urge the Fed to use its authority to reinforce the small issuer exemption and ensure that it works as Congress intended. We are especially concerned that there are no provisions in the proposed rule that enforce the anti-discrimination provisions in the law. We are worried that merchants face no penalties if they discriminate against the use of debit cards by consumers using cards issued by small issuers. The proposed debit interchange rates also concern us, especially if the establishment and maintenance of a two-tiered structure cannot be assured. The Fed should consider all costs of operating a debit interchange system to the maximum extent allowable by law, including all fraud prevention costs such as the cost of new technology that reduces potential fraud.

Sincerely,

Michael M Hussey
President
Tech CU