

From: Timothy Ames  
Subject: Reg II - Debit card Interchange

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Comments:

January 24, 2011

Federal Reserve Board  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue NW  
Washington, DC 20551

Dear Federal Reserve Board:

As a citizen, I am surprised and shocked that the Government of the United States is even entertaining the idea of "price fixing" in our free market environment. As the President & CEO of a hometown Credit Union with over 10,000 members, I understand the financial implications that the proposed regulation to regulate debit card interchange fees will have on our financial institution, and ultimately the average consumer. There is only one group that will "win" with this piece of legislation and that is the merchants.

The idea of a two-tiered system may sound like a good solution but in reality is a farce. When you try to mix price fixing with a free enterprise system, it just plain doesn't work. Who is kidding who here?

Price regulation has generally proven to be a failure, producing unintended consequences, stifling innovation and competition and harming the very people the financial legislation was designed to protect. As a result, consumers may pay more, get less and have no choice - and the provisions pose a tremendous threat to all financial institutions, large and small.

At a minimum, please consider postponing implementation of the Interchange Provisions. The fact is the debit provisions adopted by the 111th Congress were never subject to public debate, hearings or independent review. I hope the 112th will not be as rash in its approach. Changes of the magnitude required should not be imposed without serious debate, analysis and study.

Sincerely,

Timothy Ames