

From: Chris Barnard
Subject: Reg I I - Debit card Interchange

Comments:

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Dear Jennifer Johnson. Thank you for giving us the opportunity to comment on your Notice of proposed rulemaking: Debit Card Interchange Fees and Routing, Docket No. R-1404. I strongly support the stance that you are taking with these issues, particularly interchange fees. Debit card interchange fees are currently clearly too high, and effectively provide card issuers with super-normal profits, especially given increasing fees coupled with the huge advances in technology and efficiency that have occurred in the last 15-20 years. It is interesting to note that when MasterCard reached an agreement on 1 April 2009 with European competition authorities to reduce average cross-border debit card interchange fees from 0.4-0.75% to 0.20%, Competition Commissioner Neelie Kroes stated that "MasterCard could not justify their (fee) level with any solid methodology, or explain what, if any, efficiency gains were being passed on to merchants and consumers at the end of the day". Merchants should pay for the services that they receive, but interchange fees should be negotiable, subject to competition and transparent, which they are not currently. I would hope that you also consider applying similar regulatory measures to credit card issuers. Yours sincerely, Chris Barnard