

Jennifer J. Johnson
Secretary
Federal Reserve Board of Governors
20th Street & Constitution Ave. NW
Washington DC 20551

Dear Ms. Johnson,

I am writing to you today regarding the Federal Reserve's interchange proposal, regulating fees charged for debit card usage. I have a simple and straightforward message:

Price controls by the Federal Reserve on debit interchange fees will harm small community banks and ultimately the customers they serve. I urge you to take prompt action to abandon or at least delay this misguided and harmful proposed rule until a detailed and thoughtful analysis of the impact can be completed.

The message above, is a direct quotation from the president of our local community bank. I myself am not involved directly in the banking industry. However, I am fully aware of the difficulty small businesses have competing in a market place that is dominated by larger corporations. If you spend any time in small town America, you will see the closures of furniture stores, hardware stores, grocery stores, and the take over of small independent banks by corporate banks. This is depleting communities of their very identity and way of life.

I believe that the issue at hand is a case in point. While price controls on interchange fees might make sense for large corporate banks with billions in assets, it is not an effective approach for small town banks, operating on very narrow margins. These smaller institutions need to have some autonomy in establishing pricing that fits their market place and customers' needs and usage. Small town banks provide much more than financial service to their customers. They are the mainstay of community commerce, supporting community development. They also support education, athletics, and organizations through a variety of means.

Please do what you can to address the inequity that will result from the Durbin amendment. Thank you.



Mark Traxler MA LP