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Jennifer J Johnson
Secretary, Board of Governors of the Federal Reserve System
20th St. and Constitution Ave. NW
Washington, DC 20551

Re: Docket No 1404 – Debit Card Interchange Fees and Routing

Dear Federal Reserve Board:

I am writing to express my strong opposition to your proposed rules on Debit Card Interchange Fees and Routing. My opposition is due to a firm belief that:

- **Consumers will be hurt.** The proposed limits on interchange fees do not fully capture a bank's true cost of running and maintaining a state-of-the-art deposit network with all of the bells and whistles that we take for granted. As a result, banks will have no choice but to reduce services, exclude some consumers from the banking system (i.e., increase the "unbanked"), and raise fees on other products and services to make up for the lost revenue. These points are supported by recent commentary from the banks during their earnings calls and recent actions (e.g., Bank of America's new account pricing)
- **Community banks will be hurt.** The provisions to exclude smaller (i.e., <\$10B asset size) institutions does not protect these institutions. Instead, the playing field will be made less balanced putting these smaller businesses at a competitive disadvantage. Shouldn't we be making it easier for smaller businesses to compete?
- **Government price setting is dangerous.** The proposed rules effectively set the price on business-to-business transactions. This is a dangerous precedent that can discourage innovation precisely at the time when we need our businesses to be more innovative.

However, if you still believe you must move forward, I would encourage you to postpone the artificial April 22nd deadline and spend more time studying this matter given the history of the legislation that led to these proposed rules:

- **House of Representatives studied this matter and came to a different conclusion.** As you may recall, the House of Representatives studied this matter carefully in 2009 (and previously) and concluded that Congressional intervention was not necessary. Chairman Frank is on record saying that this is not a consumer protection matter and that any reduction in interchange fees were unlikely to be passed on to consumers
- **Senator Durbin forced this proposal through the Senate.** This legislation was proposed and voted on in a moment of chaos when legislators were rushing to pass the Dodd Frank bill. Many Senators have expressed “buyers remorse” and have admitted they did not realize the implications of what they were voting for. If this vote were taken again today with a fair and balanced explanation of the facts and ramifications, would it receive the same level of support?
- **Congress is considering new legislation, but may be unable to act before April 22nd.** Due to the concerns mentioned above, I understand there is concern by some Congressman that the Debit Card Interchange legislation needs to be modified. However, given other legitimate priorities, this matter may not get the attention it needs until after your artificial April 22nd deadline.

In summary, it seems counterproductive to continue to move forward with this rule writing process and I would encourage you to pause and properly study these issues and its complex ramifications. I would be happy to discuss this matter in greater detail with you and or your respective staffs.

Sincerely,



Juan Uribe