

**Bob Schultz
Racquet Corner
3119 O Street
Lincoln, NE 68510-1535**

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

Dear Secretary Johnson,

Here at Racquet Corner, we are fortunate to be located in an area that boasts one of the lowest unemployment rates in our country. Business was up 20% in December, and 2010 was up 13% over 2009. Still, I know that expenses really have to be watched, and I am very interested in the Federal Reserve's recent ruling to hold debit card transactions to a reasonable rate.

My son, Ron, opened Racquet Corner 22 years ago, and I have enjoyed working with him since my retirement in 1986. We stock and sell all kinds of items needed for all racquet sports, including lots of shoes and clothing. One thing that sets us apart is the 110 demo racquets that we have available for our customers to try out. In the last 3-4 years, debit and credit card use by our customers has increased to about 90% of sales. Our monthly merchant fees have also increased to a very significant amount.

These fees are high for us, and I know they are a major expense for all small businesses across our country. Consumers do not understand that their use of plastic is so expensive for the businesses they patronize, nor do they realize that, in many cases, these expenses are passed on to them in the form of increased prices for goods and services. When this regulation takes effect in June, it will help businesses and consumers alike.

Best,


Bob Schultz