

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

Re: Docket No. R-1404 and RIN No. 7100 AD63

February 16, 2011

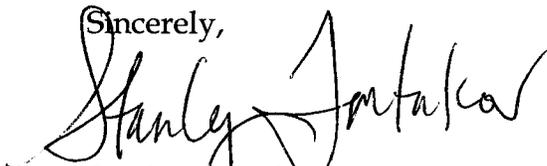
Board of Governors of the Federal Reserve System,

Thank you for the opportunity to comment on the Federal Reserve System's proposed "Debit Card Interchange Fees and Routing" rule. I think that the new regulations being proposed will have some unintended consequences as follows:

- The only beneficiaries of this harmful rule are retailers, who will take home an additional \$15 billion in profits - and consumers will be left to deal with the consequences. The rule does not require that retailers pass along even one penny of their savings to customers. Meanwhile, banks, forced to lose money on debit interchange transactions, will be forced to compensate by increasing fees for deposit customers.
- There is no evidence that retailers will pass the savings along to the consumer.
- In addition, if debit card use declines and customers return to using cash and checks, the very merchants who cried out for this transfer of cost will find a huge jump in processing expenses at their stores because of the increase in checks and cash they will now need to handle. None of the so called benefits of this cost transfer from the merchants to the banks will be passed on to the consumer.

I am hoping that my thoughts will be taken into consideration during this time set aside for comments. The new regulations will only benefit the big retailers, leaving the consumers to pick up the tab as banks will surely increase fees for services to make up the shortfall in interchange fees. Thank you again.

Sincerely,



Stanley Tartakov