

From: PeoplesBank, Tom Senecal  
Subject: Reg I I - Debit card Interchange

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Comments:

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Proposal: Regulation II - Debit Card Interchange Fees and Routing  
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Comments:

I am writing to express my opposition to the Federal Reserves proposal to limit interchange fee's charged to merchants who use this vital service. It is frightening to continue to see our government continually legislate market conditions by instituting what is perceived as unfair pricing. If the federal reserve thinks that fixed market pricing will cure all "inequities" in interchange commerce, why doesn't then our government institute price controls on say "soda" sold at fast food chains and limit the price charged to customers on based on the COST of that product. Since when does a free market society determine cost as the only or major component of determining price of a product? Is the cost of soda, to a fast food chain slightly less than the \$3.29 it charges for that product? (I doubt it) Does Microsoft charge liscence fees on software based on its cost? (again I doubt it) Do hot dogs, sodas, beers or jerseys at resorts or Ball parks really COST them \$8 to \$120? (I doubt it). Their prices are set based on many more factors than just cost. Its perceived value, market conditions, supply and demand, NOT COST!!!. If the federal Reserve and congress thinks they can price control everything based on cost, or selectively choose which products we sell in this country will have price controls.... we are in trouble. I beg you, let the market decide what prices should be, stay out of price fixing.... its against the law for companies in this country to do it, why should our government be allowed to?