

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,

I am writing to express my opposition over the Federal Reserve System's proposed "Debit Card Interchange Fees and Routing" rule. As a consumer and devoted user of electronic payment systems including on line banking, ATM, and debit cards, I am concerned the new proposed rules to limit charges to retailers for processing debit card transactions will have unintended consequences to the consumer.

First, I enjoy the benefit of free checking and no charge debit card use with my current bank. I believe the reduced fees to the retailers will cause banks to start charging the consumer for using these products, which in turn, will discourage the use of these cards all together. The added fees the banks will likely charge the consumer will not be offset by lower prices at the store, as I have yet to see many retailers offer discounts for cash or checks.

Second, the use of these electronic payments systems are the most efficient method of transacting commerce, making it easier, faster, and safer than traditional cash or check methods. In fact, under the current merchant borne fee structure, acceptance of electronic payments has grown exponentially over the past decade. The new rules will discourage use by consumers as we will be charged by banks through use charges and/or elimination of fee checking.

Finally, while consumers enjoy the ease of use and convenience of debit cards, the merchants benefit the most by increasing sales and eliminating fraud and credit losses. With debit and check cards, merchants are guaranteed payment and avoid the expense of credit collection and related losses. The merchant receives the most benefit from electronic payments and it is they who should bear the cost of processing the payment, not the consumer.

Thank you for the opportunity to comment and express my thoughts on the proposed rule change.

Sincerely,



Allen E. Wise