

United States Senate

June 15, 2011

COMMITTEES:
BANKING, HOUSING
AND URBAN AFFAIRS
FOREIGN RELATIONS
ENERGY AND NATURAL RESOURCES
SPECIAL COMMITTEE ON AGING

The Honorable Ben Bernanke
Chairman
Board of Governors of the
Federal Reserve System
20th Street and Constitution Ave, NW
Washington, DC 20551

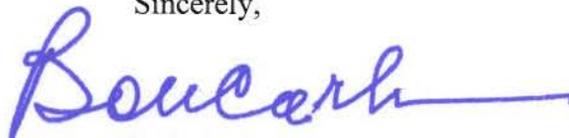
Dear Chairman Bernanke:

I am writing today in advance of the publication of the Federal Reserve's final proposal on a capped rate for debit interchange fees. As you know, I opposed the Durbin amendment last year because it establishes price fixing, which I oppose. However, as you finalize your rule I encourage you to include all costs that are available to be included under current law in your final regulation. Failure to incorporate all costs available under the law will result in a loss of innovation on the part of banks and card networks and will put considerable additional pressure on America's community banks, many of whom are already struggling under the weight of additional regulatory burdens. Worse, ultimately this regulation will harm consumers, who will miss out on new electronic payment innovations and be forced to pay more for the debit card services upon which they already rely.

Although it was not ultimately adopted, last week a majority of the Senate voted to expand the set of items that should be considered by the Federal Reserve in writing its final rule. I encourage you to take this vote seriously and to consider congressional intent as you craft your final regulations.

The debit interchange system in the United States has been built upon sophisticated technology, a high level of customer service, and advanced methods for fraud protection. As a result, consumers in our country have made debit cards the fastest growing source of payment. Debit cards provide fraud protection to merchants, offer conveniences that paper checks do not, and have proven to be much safer than cash to both consumers and retailers alike. I encourage you to take into account all aspects of the debit card market, and all the value that it adds to our economy and to American consumers, as you finalize your rules for this market's price structure within the confines of the current law.

Sincerely,



Bob Corker
United States Senator