



To: EFTA Members

From: Kurt Helwig, President & CEO

Date: June 16, 2010

Re: Legislative Alert Regarding Interchange

On June 3, 2010 EFTA along with representatives from ACS met with Senator Richard Durbin's (D, IL) staff to discuss concerns with the Durbin amendment as it relates to state administered government benefit programs. During the meeting we focused our discussion on the unintended consequences that the Senator's Interchange amendment would have on such programs. In our view the amendment as currently written would likely shift the cost of running these programs to the state. It was suggested that a potential solution would be to specifically exempt state administered benefit programs from the provisions of the Durbin amendment.

This afternoon I attended a hearing titled "Oversight of Federal Payment of Interchange Fees: How to Save Taxpayer Dollars" of the Financial Services and General Government Subcommittee of the Senate Appropriations Committee. During the hearing Senator Ben Nelson (D, NE) raised questions about the impact the Durbin amendment would have on state budgets. Senator Durbin noted that his office is working on an amendment that will "specifically carve out government benefit programs" from the provisions of his amendment. One of the witnesses, Ed Mierzwinski, Consumer Program Director of the US Public Interest Research Group (PIRG), stated that PIRG supports such a carve out for EBT.

We look forward to continuing to work with Senator Durbin's staff on this matter. Please feel free to contact me with any questions.