



To: EFTA Members

From: Dennis Ambach, Legislative & Regulatory Council Chairman

Date: July 30, 2010

Re: Legislative Alert — Latest Durbin Interchange Amendment Defeated

Among the topics discussed during yesterday's Legislative & Regulatory Council call was Sen. Richard Durbin's (D, IL) most recent interchange amendment to the 2011 Fiscal Year Financial Services and General Government Appropriations Bill.

Sen. Durbin's amendment sought to guarantee that federal government entities receive the lowest possible interchange rate in the market when accepting credit or debit card payments. Even though the Senate Appropriations Committee has not published the legislation on its Web page, I am confident the language is similar to Sen. Durbin's Amendment #3770 filed during the Wall Street reform debate in the Senate.

Late yesterday, Sen. Susan Collins (R-ME) offered an amendment during the Appropriations Committee's markup of the bill to strike the Durbin interchange language and replace it with a Government Accountability Office (GAO) study. The Committee approved the Collins amendment by voice vote. Subsequently, the Committee passed the Financial Services appropriations bill without the Durbin amendment.

It is uncertain at this writing whether Sen. Durbin will attempt to reinsert this language as the FY 2011 Financial Services Appropriations Bill continues along the legislative process. It is likely that Sen. Durbin will continue to pursue legislative remedies on interchange in the future.

As always, we will continue to monitor all developments closely.