To: EFTA Board of Directors

From: Kurt Helwig

Date: July 30, 2013

Re: Senator Durbin and Interchange Revisited

As you may know, the European Union (EU) last week proposed to cap interchange fees for both debit and credit transactions. Debit interchange would be capped at 0.2% of the transaction and credit at 0.3%.

Long time interchange critic Senator Richard Durbin (D-IL) used the announcement as a way to again attack interchange in the United States. In a July 26th letter to Federal Reserve Chair Ben Bernanke, Senator Durbin and Congressman Peter Welch (D-VT) urged the Board to support a similar interchange cap in the U.S. The signatories to the letter also reiterate their disappointment that the Board established a 24 cent cap in its final rule on interchange.

Reducing if not eliminating interchange fees remains a priority of retailers nationwide. It is clear that Senator Durbin will continue to work to achieve this goal.

The EU proposal requires approval by the European Parliament followed by individual country approval. This process may take years. EFTA will keep you apprised of any further developments.