



THE FINANCIAL SERVICES ROUNDTABLE



April 10, 2008

Chairman Max Baucus
Senate Finance Committee
219 Senate Dirksen Office Building
Washington, DC 20515

Senator Charles Grassley
Ranking Member, Senate Finance Committee
219 Senate Dirksen Office Building
Washington, DC 20515

Dear Chairman Baucus and Ranking Member Grassley:

The undersigned associations are strongly opposed to the Administration's proposal to require information reporting on payment card reimbursements to merchants and its use as an offset on the Farm, Nutrition and Bio-energy Act (H.R. 2419) or any other legislation during the 110th Congress.

This burdensome unfunded mandate will impose hundreds of millions of dollars in costs on the financial services industry. In order to comply with this mandate, the payment card industry and its third-party processors will be required to fundamentally redesign card processing systems that were developed to accommodate the efficient and reliable processing and settlement of transactions between consumers and merchants.

We believe it is inappropriate to use this provision as a revenue offset for any legislation, particularly before Congress has held any hearings on the Administration's proposal or had an opportunity to fully examine its costs and benefits.

Thank you for your consideration.

Sincerely,

American Bankers Association
Electronic Transactions Association
The Financial Services Roundtable