



Pentagon Federal Credit Union

Office of the President

July 8, 2008

BY FEDERAL EXPRESS

The Honorable John Conyers, Jr.
Chairman, Committee on Judiciary
House of Representatives
2426 Rayburn House Office Building
Washington, D.C 20510

SUBJECT: HR 5546, The Credit Card Fair Fee Act of 2008

Dear Mr. Chairman:

On behalf of Pentagon Federal Credit Union (PFCU) I am writing to express this institution's opposition to H.R. 5546, the "Credit Card Fair Fee Act of 2008". PFCU is a federally chartered and insured member-owned, democratically governed, not-for-profit organization primarily serving over 800,000 individuals who are members of the armed forces and those engaged in national security endeavors as well as their families.

In our view, H.R. 5546 would create a governmental process that would severely increase the cost of credit card financial services to our members without a concomitant benefit to them. At bottom, we believe:

- costs to obtain credit cards would be raised to PFCU's members through the imposition of charges for individuals acquisition of the credit cards;
- individuals would lose the availability of card award programs, such as PFCU's 1.25% monthly cash rebate and 5% rebate for gasoline purchases; and,
- merchants who would accrue the presumed benefit of lower interchange fees in our estimation would not pass the savings on to their customers.

At bottom, Government controls involving the establishment of a very complex pricing regime would in our estimation more advantageously be informed by America's free market system.

Thank you for your consideration to our opposition to the subject proposed legislation.

Very truly yours,

Frank R. Pollack
President/CEO

FRP/kld

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