General Discussion:
Industry Panel

Chair: Avivah Litan

Ms. Litan: I have to ask one question of my own. Everyone made some convincing arguments, but I am having a really difficult time reconciling the Visa and the Sue Webb credit card view and the networks with the retailer view. I know that the purpose of this conference is to try to figure it out, but what I heard from John Gove, for example, is that what happened in Australia ended as merchants stopped paying for loyalty programs. That is what I have heard in talking informally with some of the retailers here. Why should some merchants that live on very thin margins have to subsidize my frequent flier program?

And I understand what the credit card companies are saying in that there is tremendous innovation, and I see that as a consumer. But maybe Wal-Mart doesn't want to pay for that innovation; maybe they would rather have lower prices. So I am not exactly clear on the directness between the beneficiaries on the two sides. It's this balancing act.

Mr. Sheedy: The data I've seen from Australia suggests that, while there has been a reduction in interchange, there hasn't been a change in prices from those same merchants to consumers. One aspect of the regulatory action has been that the merchants have been benefited. We are curious about that because we saw a similar dynamic in the United States as we dramatically lowered debit interchange rates. There was certainly an attempt to sort of rejigger that market, changing honor-all-card rules, but ultimately the merchants saw a reduction in their interchange expense, or their merchant discount, and the consumer didn't benefit.

Again, as we look at Australia and as we look at some of the changes that have happened in the United States, I think you have to resist the urge to boil this down to very simple terms. It is natural that merchants want to lower their costs and improve their profit margins. I just don't see why that is a regulatory role.

Mr. Gove: There are a couple things to which I'd like to respond. First, we've heard a few people talk about the increased spend on credit cards being a benefit for merchants, but you can't keep increasing and increasing and increasing. In effect, a client that we were talking to a little while back said that they kept getting requests for more investment in the various projects to be run. I went back through all the requests and found that they would have 234 percent market share if all these projects had been done.

It is the same with increased spend on credit cards. People can't keep increasing and increasing and increasing their spend. They have finite amount of money to spend.

In terms of the impact on the merchants, I would like to give a couple of examples of how important it is. For a number of merchants, and our clients that we have spoken to, in terms of operating costs, it comes in at about number two, three, or four—typically around number three. After salaries and distribution costs, their merchant fees are the third highest operating cost they have. It is a huge drain on merchants.

Perhaps a more specific example is some work we are doing with the oil industry in the United Kingdom at the moment, where the merchants service fee takes 75 percent of the oil company's gross margin. Now, I am talking gross margin before they distribute the fuel or anything else. There are some issues there for sectors. But it is very hard to get any relief on those things.

Finally, in response to your specific question, we believe—and there is no direct data on this—those reductions in interchange fees have been passed through basically on a one-on-one basis to merchants, and we believe merchants are passing those through to consumers. The retail industry in Australia is the most competitive industry. It has the smallest margins of any industry. Competition will ensure that those savings the merchants are making are passed on to consumers.

Ms. Hanna: This is for Bill Sheedy. On August 1, 2003, the same day that signature debit rates were mandated to go down via the settlement, several categories of credit card rates went up. Then again there were rate increases in October and rate changes again in February 2004. Then again in April of this year, there were rate increases, some of which were an equivalent of 50 basis points. How do you explain that, compared with your statement in your presentation that your rates have gone up only 8.6 percent?

Mr. Sheedy: There has been quite a bit of change in interchange in the U.S. market. Chart 4, which I presented earlier, shows costs on an interchange level less the cost from a merchant discount level can be misleading because there were a lot things happening inside that number.

Debit rates weren't regulated to go down a third in August. It was just part of a settlement. In the Wal-Mart settlement discussion, the interchange rates and acceptance decisions were sort of bundled—debit and credit in the United States. As a part of that settlement, we agreed to break up the acceptance between debit and credit. Say you had a bundled package of Visa in the United States, and, just for simplicity, say that was 170 basis points of interchange and debit dropped down to 118 basis points. I think economics would suggest that if the merchant community was paying 170 basis points for the package and a portion of that package dropped down to 118 basis points, the other piece would go up. I would like to point out that we were inclined to let the market settle on that point, but MasterCard moved and we had no choice but to respond, given that we were about to engage in some longer term partnership discussions with some of the issuers and we were concerned that would put us at a competitive disadvantage.

There was another legal action, in which the Department of Justice (DOJ) decided that they ought to litigate against our rule prohibiting Visa members from issuing American Express and Discover cards. From the outset of this litigation, we told the DOJ that one of the early outcomes that would inevitably come from the litigation is that American Express would show up on the doorstep of each one of their major banks, offering an opportunity for them to issue American Express cards and pull in more revenue from the merchants. We knew that was going to happen, and that is exactly what happened.

We implemented a strategy that promoted Visa Signature and increased the level of benefits to merchants and consumers. We developed some very innovative marketing programs to merchants. And, yes, we increased rates, but we hit a price point that is still dramatically lower than American Express. I wasn't wild about the DOJ case. I wasn't wild about eliminating that rule, because we knew rates were going to go up, but we had to respond to that environment.

Mr. Schnell: I want to follow up on the question Kathy Hanna just asked about Charts 3 and 4 where you talk about the relative stability of interchange rates over time and the tendency of merchants and trial lawyers like myself to misrepresent that. I am curious as to why there is no reference to the PIN debit fees on these charts, which we know have gone up thousands of percent over the last few years?

Mr. Sheedy: First off, Gordon, as you know, there are no PIN debit card networks in the United States that are Visa-branded. My role primarily focused on the Visa U.S.A. market. Those data points were shown as being Visa numbers, and they are reflective of Visa data.

While Interlink has been a second-tier player in the PIN debit market, the PIN debit market interchange rates have moved up gradually over time. There are a whole host of reasons why that has occurred, but the reason why the chart doesn't show Interlink or PIN debit is because there are no Visa-branded PIN debit markets in the United States.

Mr. D'Agostino: The economists who spoke earlier this morning had a hard time drawing conclusions from the data they were presented on where they think this is all going in the United States. I'd be interested in the perspectives of the various members of this panel on where they think interchange and the developments around that market are going to go in the United States.

Ms. Webb: We think that interchange is going to go up in some places and down in other places, quite frankly. This is an increasingly competitive market with more and more players. Some will be driving interchange up, and some will be driving interchange down. We think it will be very dynamic over time, and we think it also does have some natural caps to it, because we are competing against various others and an increasing array of other mechanisms that keep it naturally capped to remain competitive.

Mr. Sheedy: I would like to weigh in. I absolutely agree with Sue. I do think, given the diverse pressures we are seeing and, quite frankly, the opportunities we are seeing, rates will go up in certain places and down in others. When you look in the U.S. market, nearly 60 percent of consumer expenditures are still nonelectronic. Most of the time we spend at Visa in developing product and in looking at marketing opportunities is on how to penetrate those market segments that are not yet accepting cards. And I see us doing that with lower price points and lower interchange.

We have a dynamic in the U.S. market. I think Gordon was referring to the fact there is this disparity between on-line PIN-based and signature-based debit interchange rates. With all due respect to Stu Weiner, his data showing that the debit rates on the Visa system are going up is incorrect. In fact, we have lowered debit rates in recent weeks. Looking forward, I see offline debit rates going down. I see on-line debit rates coming up because it makes sense there would be a closer convergence of these two rates. It seems logical, and I think that is where the market will set it.

Ms. Litan: I don't understand what is logical about a convergence between PIN and signature debit.

Mr. Sheedy: I'd be happy to respond to that. It speaks to how these products evolved. PIN debit, to Lloyd Constantine's point, has been around for quite some time. It came on the backs of the ATM networks that were looking to increase the amount of activity over their networks. They marginally priced or reverse-priced the product down to merchants to incent them to deploy PIN pads, and they were not very successful in doing that in the late 1980s and early 1990s. Their success came when the Visa system invested in offline debit and heavily promoted the check card. The merchants responded by deploying PIN pads and processing more of those transactions through the regional debit networks that had priced their product, at that point based on marginal processing costs, which, I think the economists would concur, is not a sustainable model.

So what you had was the same consumer walking in, very often the same plastic, PIN heavily subsidized at a not-sustainable rate, and the signature subsidized at a higher rate. It makes sense if the interchange structure needs to appear to be logical and rational, there needs to be a sort of convergence of these two rates, because you do have the same consumer and a similar process hitting the same checking account.

Ms. Litan: I want to add one question to bring in our European participants. It looks like we have had the exact opposite phenomenon in both Spain and the Netherlands, where the PIN debit and the debit have dropped as far as they can possibly go. What is so different about the U.S. market and your markets? Is it the regulators? What is it?

Mr. Gabeiras: Day and night. I don't know if the day is the United States and night is Europe, or reversely.

There are many differences. First, interchange rates in Europe are declining, truly, or bearing a steady position market by market. Meanwhile, they are increasing in the United States. Second, in Europe, we have a list of 25 different systems of setting domestic interchange rates, plus the cross-border European system. There is not a similar situation in the U.S. market. Third, in the United States, there is no regulator fixing the value of the interchange rate. At most, the official dependence in charge of competition challenges you before the court. In Europe such a thing doesn't happen. The regulator determines the rate, and you have to appeal the decision before the justice system if you want to modify it. The markets are quite different, to my perception. Additionally, one of the things that is happening in Europe is that there is a biased situation between the huge political market power of retailers' organizations and practically no political market power on the cardholders' side. In my opinion, this is also contributing in some way to the current situation. Look at the participants to this conference. No cardholders or consumer representatives are present. There is no cardholder perspective. There is no consumer organization defending cardholders' interest in this conference. And that is what is also happening in Europe today.

Ms. Litan: It is assumed that the issuers and Visa protect consumer interests here.

Mr. Gabeiras: We protect the cardholders, but nobody believes it.

Mr. Haasdijk: I would like to add to that with regard to the Netherlands. As I said, we are no longer the acquirer, the banks are. And the banks—together with the NMa, the anticompetition authority—have been striving to get an agreed-upon interchange fee, which, as far as I know, and I am not fully versed, should be based on the lowest cost of each of the participating banks with regard to the authorization. But, as far as I know, no agreement has yet been reached. The only thing I know is that whenever you look at discussions like this, you have to find the balance between a concentration and cooperation on the one hand and competition on the other hand. What you see happening now in the Netherlands—albeit at a much lower pricing scale compared with what I hear about from this audience—is, by the end of the day, the competition is there and the prices have gone up. That is something to be pitied.

Ms. Litan: That is a different view. Let's hear quickly from Xavier Durieu.

Mr. Durieu: I am glad the consumer was mentioned, because the consumer is our concern. We have in Europe more than a billion calls a day from consumers, so I am happy to speak about them.

Today's system is expensive—extremely expensive—for consumers. The reason is that no one knows how much the retailer, and therefore the consumer, has to pay for the transactions because of the interchange fee. There is no allocation of the cost. We have spoken all day about the interchange fee as a solid item, the pricing for different services, and these services are to the benefit of the consumers mostly, but also to banks, though not paid for by the banks. I would like to stress the idea that in Europe, 50 percent of the cross-border interchange fee is for fraud and unpaid balances to so-called payment guarantee. If you think of that, who has an interest in the issuing banks reducing the cost of those two elements? No one. The retailer will pay at the end of the day. He has no choice but to pay. There is no incentive to reduce that cost. That is why we need the public authorities to ask everyone to pay for his benefits. And one should think twice before asking the retailer to pay.

Take the unpaid balance of cardholders. Who is establishing the scoring of whom will receive a plastic card? Is it the retailer? He still pays for unpaid balances. Who decides on the technology of a card, which will eventually, possibly, generate fraud? Who decides on that? Is it the retailer? Still, he pays for the fraud. I am truly surprised the U.S. network imposed taking the EMV standards on European retailers to move to PIN-based transactions to reduce fraud, while—if I have understood well today—the opposite tendency in the United States is to promote signature-based transactions. I believe the answer to that is the level of the interchange fee.

Ms. DeVries: I want to speak on the merchant's ability to negotiate pricing and impact consumer choice as to what payment mechanism they are going to use at the point of sale. To Sue's comment that we should be offering a private-label card, that puts me smack-dab in the middle of having to offer rewards that are more compelling than the miles and the cash-back bonuses that already exist. So what possible cost savings could there be for a merchant to have to compete on the rewards base?

Ms. Webb: I'll respond to that because if I said private label, I misspoke. I certainly meant to say a co-brand card. A co-brand card actually does present considerable benefits to merchants that issue them. One is that when that card is used in your establishment, it often is at an extraordinarily discounted interchange rate to begin with. Second, you are using that card as a vehicle to offer rewards to those customers, which bring them back into your establishment. Even when they shop somewhere else, it counts for rewards for your establishment, and that brings them back in to buy more from you. So we see co-brands as something incredibly effective for our merchants that use them. As I mentioned earlier, Starbucks is just one example. The more creative they are, the more valuable they'll be.

Ms. DeVries: The other point is our ability to negotiate. As referenced this morning, Walgreens very publicly told American Express to take a hike, because their fees were too high. The reason behind that is we could not give Visa and MasterCard a reason to raise rates any higher. I mean, that is just simple economics of looking at the Supreme Court decision and the impact. Now, this leads perfectly into the consumer point of view, which is, "I'm furious with Walgreens. How dare they tell me how I am going to pay for merchandise in their stores!"

That payment—and we are missing the consumer perspective—is a very personal, private choice. It isn't the business of the merchant to interfere in that choice. That is the message we heard loud and clear.

Mr. Sheedy: I understand that challenge, because there is a lot of inertia with the consumer. They are used to using their cards a certain way, and for you to change that at the front end has to be a difficult discussion for you to have with the retail ops folks. That being said, the merchant folks in the room are probably tired of me and other Visa staff coming in and trying to find ways to negotiate lower interchange for increased volume. We are out there. There is a responsibility on the part of the merchants to take steps to manage down their costs. We are willing to be a part of that solution. The difficulty is when they provide the same level of access and the same functionality to the competition, unwilling to differentiate. That changes the competitive dynamic in a way that ultimately does disadvantage you. But then I ask, "Where is interchange going?" It is difficult to say, but I am hopeful that the merchant community will partner up and do things to steer payments toward lower cost alternative forms of payment. I can sell all day long to our board more volume at lower rates.

Ms. Webb: I agree.

Mr. Balto: I like the idea that an interchange fee is an equilibrating mechanism. That gives the impression that there are two sides who actually have a voice in things. So when was the last time that Visa reduced its credit card interchange fee, and why did you reduce it?

Mr. Sheedy: When was the last time credit card interchange rates were reduced? I was wondering when we would hear from the second group of attorneys who are suing us. David, honestly, as I sit here, I don't know when interchange rates on a systemwide basis were lowered for credit. I can guarantee you that sometime over the last 12 months there was a small-ticket interchange fee program and an emerging-market interchange fee program that introduced dramatically lower interchange rates on credit in order to expand acceptance into new and emerging markets. So, did it lower the interchange rate on the product in total? No, but there absolutely were rate reductions granted to the entire system in these new and emerging markets. Now, on a customized basis with individual merchants, we have lowered rates in the last three months with merchants who were willing to work with us in order to shift share and grow volume.

Mr. Roylance: Bill, you've given us a number of examples of the extremely high value of your product and the extraordinary attractiveness of that product to all the parties in the payments system. Given that your product is so fantastic and everybody wants it so much, I wonder why your organization specializes in drafting and implementing draconian anticompetitive rules? I'll give you four examples on which you can comment.

The first one is called the "nondiscrimination rule," which prevents merchants from surcharging or otherwise pricing to their customers in a way that reflects the forms of payment at their will. Given that consumers are going to want to use your card so much, it will have no impact on your business at all. I think you should repeal that rule immediately.

The second rule that you have is what we call the "honor-all-products rule." There are two parts of your honor-all-cards rule, one is an honor-all-issuers rule, which merchants support. The other is an honor-all-products rule, which merchants do not support because it forces them to accept all of your products, regardless of the price. With Visa's Signature, for example, your merchants don't have the option to refuse to accept Visa Signature if they don't think it benefits them. They don't have the option to refuse to accept the Visa purchasing card, if they don't think it benefits them. They just have to pay your higher prices, which you have imposed without giving them a choice.

The third example is the "no-bypass rule." You are trying to prevent First Data from putting transactions through the network, trying to force them to put every single basic transaction through your network because you don't want any network competition. If your network was that great, you wouldn't mind because the people would voluntarily choose to use your network.

And the fourth example is your recent rule change which prevents Susan Webb from authorizing the cards that she has issued that she receives from her own merchants as "on-us transactions." You are now forcing her to put them through your network instead of processing them herself.

I find all those rules to be anticompetitive. If your product and your system are that strong and you really believe in it, I wonder why you continually implement, introduce, and enforce those kinds of rules. I would be very interested to hear your views.

Mr. Sheedy: Stu, how much time do we have left in this session? Am I bleeding?

Ms. Duncan: Finally, I suppose there is the fifth rule, which is the rule that prevents us from knowing what the rules are.

We only find out about them when we've violated them, supposedly, and then someone comes out and explains them. So I would really like an explanation for that one as well.

Mr. Sheedy: For those of you who have seen Visa's operating regulations book, it is about the size of the New York telephone book. Help me understand which rules in particular you think aren't well understood in the marketplace.

Ms. Duncan: The discounting rules, for example. Supposedly, you can discount for cash. In fact, there are so many hurdles put in the way of discounting for cash that, as a practical matter, you can't do it.

Mr. Sheedy: That is helpful just so I can focus my response. Let me start with the processing piece first, to Robert Roylance, and I don't mean to bundle these things to obfuscate. I think the on-us issue and the mandatory routing issue I can hit with one response: Because ultimately it is the position of Visa—endorsed by our board—that you cannot separate increasingly the processing of Visa transactions from the product. The functionality that resides within VisaNet, that drives value to merchants and to consumers, is absolutely critical to the product delivery. Increasingly, we will be driving rewards-based programs off VisaNet that require us to see that transaction and increase the level of value that we drive to consumers and to merchants. So the decision to require transactions to be routed over the network and to require Sue Webb and JPMorgan Chase to route even their on-us transactions over the network provides a better environment, we believe.

The larger percentage of the board is represented by the acquiring community in the United States. They endorsed that plan to provide for 100 percent of the transactions being routed over a network so that we can increase the opportunities for us to innovate in the processing systems to drive more value through the products.

Honor-all-products. We have two honor-all-card rules in the United States, which provide for merchants to make a separate decision as to whether or not they want to accept Visa debit or Visa credit. Visa credit encompasses all forms of Visa credit, be it commercial or consumer. There is a reason why, from the outset of the association (and I am sure you can appreciate this), honor-all-cards exists, either at a product level or at the member level: consistency of experience for the consumer. Ubiquity of acceptance was an important tenet of the cardholder experience. If the consumer doesn't know whether or not the card is going to be honored when they walk through the merchant's door, that isn't good for business. Ultimately it is bad for merchants because consumers will be hesitant and maybe won't shop there because they don't know whether or not their cards will work.

So, I understand the need and the desire for merchants to have greater levels for choice, and we've done that in the United States with debit versus credit. I think you made some reference to whether merchants have a choice. They do. Merchants have plenty of choices. They can steer. They can discount. I think the discounting rules, as they relate to cash, are absolutely well understood. And if they are not, then we'll do a better job of communicating that.

To Sue's point, discounting rules were well understood in the United States because it was a common business practice in the fuel environment. If it was so confusing to the merchant community, I am curious as to why it was such a common practice in the fuel business in the 1980s and early 1990s.

Did I hit all your points, Robert? You may not be satisfied with my response, certainly.

Mr. Roylance: Well, just now you implied that merchants have a choice on accepting credit or debit, because you were giving them that choice. But my understanding is it took eight years in the courts to force you to give them that choice. Is that correct?

Mr. Sheedy: Yes.

Mr. Roylance: Why were you forced into it? Why didn't you just give it to them? Why did you fight against it?

Mr. Sheedy: Because it gets back to why those rules existed in the first place. Making sure that a merchant accepted all credit products from all issuers in the United States was important to ensure that the consumer had a consistent experience at the point of transaction. If a merchant decided to accept cards from Sue but not accept cards from Bank of America, that is a problem. That creates inconsistency and confuses the customer.

Ms. Litan: I have to interrupt here because we are running out of time. Let's just take a few more questions. I am sure Bill will be available afterward to answer additional questions.

Mr. Sheedy: I absolutely would be happy to talk afterward as long as you like.

Mr. Frisch: Bill, I am going to give you a break. This is a question for John Grove. You said in your comments you felt comfortable that the merchants were passing along the savings from lower interchange on to the customers. Do you have any empirical data to support that or is that just anecdotal evidence that you are hearing?

Mr. Gove: At this stage, it is just anecdotal evidence. Philip Lowe may have some other, more detailed evidence. One of the issues is that a lot of the retail price variations without any pass-on of the reductions could outweigh that. People are trying to collect that data at the moment, but to my understanding, there is nothing published.

Mr. Frisch: Can you comment on that, Philip?

Mr. Lowe: It is very hard to measure that effect, because we estimate that when it is fully passed through, it would reduce the Consumer Price Index (CPI) by about 0.2 of 1 percent. That sounds like a small effect, but it is worth $500 million to consumers. It is just hard to measure when the CPI is going up at roughly 2.5 percent a year.

I think there is another point that gets missed here, though. Even if the retail sector was a monopolist—there was only one retailer selling all goods—and it faced lower costs, it would pass through some of those lower costs into lower prices. Even a monopolist would do that. The Australian retail sector is not monopolistic; it is extremely competitive.

If you believe in competition, which I think is a reasonable representation of the Australian retail market, these lower costs will flow through into lower prices. And I think this is then good for consumers. It may not be good for the guys who use their Visa card because they are getting fewer rewards now, but that was the intention. There are a lot of other guys out there who don't use a Visa or MasterCard. They use cash or debit and they are much better off for it. To say that the reforms are not pro-consumer is missing the fact that not everyone uses a Visa or a MasterCard.

Mr. Gove: I think that is an important point. The issue is, and we said it earlier in a number of the presentations, that cash payers are subsidizing card payers and not just when these reductions of interchange happen and the merchant service fees or the discount rates reduce. The reduction does not flow back to cardholders only; it flows back to all consumers, so the amount is much smaller.

Mr. Sheedy: Can I respond to that from a U.S. perspective? We've heard that point of view from a number of economists who talk about cash users subsidizing credit card users. Irrespective of the sort of back-end costs and value benefits between cash and card usage, at least in our market, there aren't hordes of cash users. There are certain consumers that use cash in certain instances, but the only cash customers that we are aware of are the unbanked. In the end, the unbanked are going to be better served by revenue streams that go into the checking account that make checking account costs more affordable for a broader segment of the consumer. I think ultimately that allows for electronification of commerce across the economy as a benefit for all. There aren't consumers, at least in the United States, who use just cash.

Ms. Litan: I am not an economist, and I don't want to have opinions because I am not an economist, but it seems like the benefits and the costs should be directly attributed. We are speaking about so many indirect benefits and costs to consumers. I don't think it is up to us to determine that. It is up to the consumers to determine that, the merchants to determine their pricing, and card issuers to determine their pricing. It is when other people start making decisions on behalf of other parties that it makes me a little uncomfortable. But I'm not an economist.

Mr. Bouchard: I am going to add on to what was just said about lowering prices. If you want to look at where we are lowering prices, go to a Wal-Mart store. Bill, I guess you haven't been to one. You probably spend all your time in San Francisco boutiques.

Mr. Sheedy: I was in a Wal-Mart in rural Alabama just last week.

Ms. Litan: What, you were selling Visa cards?

Mr. Sheedy: I was in a NASCAR van.

Mr. Bouchard: I think you know about Wal-Mart looking for any opportunity to drive efficiencies and lower costs and pass that along to the consumer. So this would be another item on which we could lower our costs and pass along the savings to the consumer. Your suggestion that you haven't seen any reductions in prices at merchants, I think, is offensive, particularly to us. That is our business. I think everybody knows that is our business. I suggest that if Visa adopted the same strategy, we probably wouldn't be having this conference to discuss interchange.

Mr. Sheedy: The only thing I'll say to that is there were a number of merchants immediately following the settlement of the honor-all-cards litigation (I'm not calling it the Wal-Mart case) that talked to Wall Street analysts and said, "No, no, no. We are going to drop that right to our bottom line. Our shareholders are going to benefit."

I think it is interesting that in certain environments, depending upon the audience, it either falls to the bottom line or it falls to the consumer. I don't think that is the point. There has been a lot of discussion today about the costs of the service from the banks' and from the networks' perspective and whether or not the fees being provided are appropriate given those costs. What I would suggest is that in certain instances, looking at it in the historical model, we are below cost, and in certain instances, we are above cost.

But the payments system and interchange are ultimately determined based on the value to the various constituencies, and that is what is driving the payments system and interchange value. I understand there is one value proposition from a Wal-Mart perspective. There is a different value proposition from the JPMorgan Chase perspective. I think it is difficult, when you are looking at one side of the equation or the other, to understand exactly how that gets balanced. We can mock the balanced idea, but in the end, it is how we approach the business.