International Bank of Commerce
130 E. Travis
San Antonio, Texas 78205
Carlos A. Martinez, Jr.
Direct (210) 518-2530
Fax (210) 518-2578

July 21, 2006

Robert E. Feldman, Executive Secretary
Attention: Comments, Federal Deposit Insurance Corporation
550 17th Street, N.W.
Washington, D.C. 20429

VIA EMAIL TRANSMISSION
comments@FDIC.gov

Re: RIN 3064-AD03

Dear Mr. Feldman:

On behalf of International Bank of Commerce (IBC) I would like to make the following limited comments on the proposed rules governing the one-time credit on deposit insurance assessments. The proposal defines successors who are eligible to receive this one-time credit in an extremely limited fashion, declining to use a "follow the deposit" approach. The purpose of this letter is to strongly urge the FDIC to reconsider its position relating to "follow the deposits."

Although following the deposits will provide some additional technical challenges in actually tracking the funds, we believe that this approach would actually further several public policy objectives. First, the assessments were paid based on the deposits and thereby affected the cost of those deposits to the institutions including acquisition costs of those deposits. Following the deposits to the hands of those that acquired them therefore would assure a better matching of costs.

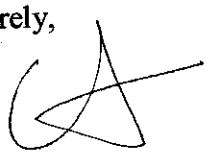
Perhaps more significantly, however, in many cases in Texas, institutions were acquired through merger or other acquisition with undesirable branches and deposits spun off into separate transactions. If Texas banks had not stepped up to the plate to acquire those branches or deposits, in many cases small communities and rural areas simply would have been left bereft of banking services. Permitting a credit by following the deposits in these transactions would acknowledge the significant economic value that the deposit purchases brought to the communities and to the state as a whole.

Although technical concerns relating to identifying the owner of certain deposits deserving of credits could pose significant challenges, we would respectfully suggest that an effective way of managing this cost and risk would be to simply follow the deposits to the first institution acquiring them from the divesting entity. As noted above, this would reward those entities that were ready and available to continue services in what would otherwise be unserved communities.

We recognize that in some situations the entities that purchased the deposits may themselves no longer be in existence. If there is a clear trail showing the acquisition of that entire entity by another party, then we would suggest that following the deposits to the current owner of that institution should not prove an insurmountable task and would still further the objectives and support the public policy acknowledgment of rewarding those that supported the FDIC fund at the time that it most needed support. With the burden of establishing the right to the credit placed on the requesting institution, the FDIC's cost of implementation should be reasonable.

Thank you for this opportunity to comment.

Sincerely,



Carlos A. Martinez, Jr.
Executive Vice President