August 16, 2006

VIA ELECTRONIC MAIL

Mr. Robert E. Feldman
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
550 17th Street, NW.
Washington, DC 20429

Re: RIN 3064-ADO8

Dear Mr. Feldman:

KeyCorp is submitting this letter in response to the notice of proposed rulemaking published in the Federal Register on May 18, 2006, by the Federal Deposit Insurance Corporation (the "FDIC") regarding the proposed rule (the "Proposed Rule") to implement the one time assessment credit (the "Credit") for certain eligible insured depository institutions required by the recently enacted federal deposit insurance reform legislation.

KeyCorp is a bank-based financial services company with consolidated total assets of nearly $95 billion as of June 30, 2006. Among its subsidiaries is KeyBank National Association, an FDIC-insured depository institution with approximately $91 billion in consolidated total assets and consolidated total domestic deposits of approximately $57 billion. Keycorp and its subsidiaries provide investment management, retail and commercial banking, consumer finance, and investment banking products and services to individuals and companies throughout the United States and, for some businesses, internationally.

Overall, KeyCorp supports the Proposed Rule. In particular, KeyCorp strongly supports the FDIC's proposed definition of "successor" (i.e., the resulting institution in a merger or consolidation occurring after December 31, 1996). KeyCorp does not support any "follow-the-deposits" alternative definition of "successor." KeyCorp believes that because institutions paid the deposit insurance premiums to capitalize the deposit insurance funds logic and fairness dictate an institution-based, rather than a "follow-the-deposits", approach in connection with the Credit. Moreover, in light of the necessity of collecting more information from the industry before a "follow-the-deposits" alternative could be implemented, the 270-day rulemaking statutory mandate under the legislation effectively renders such any "follow-the-deposits" alternative both undesirable and impracticable.

KeyCorp agrees that if there is no successor to an institution that would have been eligible for the Credit *before* the effective date of the final rule the remaining eligible institutions would receive a proportionate share of the institution's share of the Credit. KeyCorp, however, does not agree that if there is no successor to an institution that would have been eligible for the Credit *after* the effective date of the final rule, the remaining Credit amount should expire unused. KeyCorp believes the remaining eligible institutions should receive a proportionate share of the remaining Credit amount as well.

KeyCorp appreciates the opportunity to comment on the Proposed Rule. If there are any questions concerning our comments, please feel free to contact the undersigned by telephone at (216)-689-3691 or by electronic mail at scott_miller@keybank.com.

Sincerely,

Scott D. Miller

Scott D. Miller
Senior Vice President & Senior Managing Counsel
KeyBank National Association