

October 7, 2010

United States Securities and Exchange Commission
Division of Corporation Finance
100 F Street, N.E.
Mail Stop 4561
Washington, D.C. 20549

Attn: Melissa Walsh, Staff Accountant

Re: Alliance Data Systems Corporation
Form 10-K for the Fiscal Year Ended December 31, 2009
Form 10-Q for the Quarterly Period Ended March 31, 2010
Form 10-Q for the Quarterly Period Ended June 30, 2010
File No. 001-15749

Dear Ms. Walsh:

Alliance Data Systems Corporation, a Delaware corporation (the "**Company**"), is in receipt of the letter dated September 23, 2010 from the Securities and Exchange Commission Staff (the "**Staff**") relating to the Company's Form 10-K for the Fiscal Year Ended December 31, 2009, Form 10-Q for the Quarterly Period Ended March 31, 2010 and Form 10-Q for the Quarterly Period Ended June 30, 2010, each filed with the Securities and Exchange Commission (the "**Commission**") (the "**Comment Letter**").

Per your instructions to the Company, this letter will confirm that the Company will submit its response to the Comment Letter after October 7, 2010, but on or before October 22, 2010. The additional time will enable the Company to coordinate the Company's response with the Company's third quarter 2010 earnings release.

If you have any questions with respect to the foregoing, please call Charles Horn, our Executive Vice President and Chief Financial Officer at (214) 494-3612.

Sincerely,

/s/ Alan M. Utay

Alan M. Utay

Executive Vice President and General Counsel

United States Securities and Exchange Commission

Attn: Melissa Walsh

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Copies: Edward J. Heffernan
President and Chief Executive Officer
Alliance Data Systems Corporation
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Charles L. Horn
Executive Vice President and Chief Financial Officer
Alliance Data Systems Corporation
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