

February 13,

2006

Mail Stop 4561

J. Michael Parks
17655 Waterview Parkway
Dallas, TX 75252

Re: Alliance Data Systems Corporation
Form 10-K for the year ended December 31, 2004
File No. 001-15749

Dear Mr. Parks:

We have completed our review of your Form 10-K and do not,
at
this time, have any further comments.

You may contact Yolanda Crittendon, Staff Accountant, at
(202)
551-3472 or the undersigned at (202) 551-3498 if you have
questions.

Sincerely,

Linda VanDoorn
Senior Assistant Chief Accountant

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J. Michael Parks
Alliance Data Systems Corporation
January 5, 2006
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