

**Interchange Fees
Draft Surveys Distributed for Comment
August 11 and 12, 2010**

In order to implement the interchange fee provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”), Board staff distributed a draft of the card issuer and payment card network (“PCN”) survey to certain issuers, PCNs, merchant acquirers, processors, trade associations for financial institutions, the prepaid card industry, merchant processors, and merchants, and to and other interested parties. For each draft survey, staff scheduled drop-in calls for parties that wished to provide input on the draft surveys (staff organized four drop-in calls, on August 16 and 17 to obtain comments on the draft PCN survey, and on August 18 and 19 to obtain comments on the draft issuer survey). Parties also had the option to submit written comments. Among the matters on which Board staff specifically sought input were whether the survey questions proposed in the surveys were clear and asked for information in a form respondents would be able to provide; how to best categorize fraud losses; how best to collect certain information on interchange fees and other network fees from three-party PCNs; and the extent of variation in network fees.

The Board received dozens of comments on the draft surveys. Many of the comments were applicable to both the issuer survey and the PCN survey. The commenters generally agreed that the draft surveys asked for information in a form that respondents would be able to provide. Commenters also stated that some of the terms used in the draft surveys should be clarified (either by revised definitions or examples), and suggested improvements for reporting certain costs and other information. Commenters also suggested that the Board should expand the time frame covered by the survey and request information on additional categories of costs. Comments varied as to how three-party PCNs should report information on interchange fees and other network fees.

The comments received by Board staff formed the basis for several changes to the draft surveys. Board staff clarified, among other things, the terms and reporting instructions in the final surveys; the types of costs and information requested with respect to debit cards; and removed questions in the draft surveys relating to other credit card programs. The final network survey was modified to request information regarding historical interchange fees. Also, based on the comments received, Board staff developed a separate survey of merchant acquirers.