



December 21, 2009

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, D.C. 20551

Re: Docket No. R-1377

Dear Ms. Johnson:

Thank you for the opportunity to provide comments to the proposed rules to amend Regulation E, published in the Federal Register on November 20, 2009 at 74 *Fed. Reg. 60986 et seq.* *Comdata and Stored Value Solutions are sister companies that provide prepaid card program services for open loop and closed loop card programs. We appreciate the Board's recognition of the distinctions that exist among closed loop and the various types of open loop programs and of the need to tailor regulations accordingly.*

We are a member of the Network Branded Prepaid Card Association (NBPCA), which submitted a comment letter on December 15, 2009, and we concur with the comments presented in the NBPCA letter. In addition, we request clarification on two matters addressed in the proposed rules.

The Board has solicited comment on whether it is appropriate to limit the scope of the final rule so that it does not apply to cards issued for business purposes. We are in support of such a limit but were confused by the reward and incentive example provided in the Preamble at 74 *Fed. Reg. 60989*. *It is common to distinguish business and consumer card programs by the source of funds for the cards. A business funds reward and incentive cards and not a consumer.*

Many retailers that offer closed loop gift cards use the same card design for the gift cards it sells to the general public and cards that it sells at a discount to businesses for distribution as rewards. There are typically cost savings when ordering a larger volume of the same card design. The Board is concerned about consumer confusion for cards that "appear substantially similar" but have different terms of use (Preamble at 74 *Fed. Reg. 60994*). *It would be helpful to understand what distinctions should be made to keep cards used for the different purposes from being considered to appear substantially similar. For example, would it be sufficient if the card design itself is the same but for one to be labeled "gift" and the other to be labeled "reward?" Clarification would be appreciated.*

Thank you for the opportunity to comment. Please do not hesitate to contact me at (615) 371-3172 if you have any questions.

Very truly yours,

/Lisa E. Peerman/

Senior Vice President & General Counsel

COMDATA NETWORK, INC. and
STORED VALUE SOLUTIONS, INC.