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Comments:

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Dear Federal Reserve Board: Regulating interchange fees is long overdue, even if only for debit cards. I applaud the efforts of the Federal Reserve in the thoroughness of its research and adherence to the debit card provisions of Dodd-Frank Wall Street Reform and Consumer Protection Act in crafting the proposed rules. As a payments industry expert and consultant for the last eight years, I offer the following two insights for consideration. 1. Consider lower interchange rate for industries with low average tickets Capping debit interchange fees at \$0.12 will benefit all merchants whose average ticket is greater than \$5. Many industries where the average ticket is less than \$5 will pay more in interchange fees if issuers set debit interchange fees at \$0.12. For instance, cities and private companies that run parking meters and parking garages where the average ticket is typically \$2-\$4 will incur higher interchange fees at \$0.12. Currently, Visa and MasterCard have a signature debit rate of 1.55% + \$0.04 for small tickets (