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02/22/2011

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

RE: Debit Card Interchange Fees and Routing Proposed Rule, Docket No. R-1404

Dear Ms. Johnson:

Section 1075 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Durbin Amendment") directed the Board of Governors of the Federal Reserve System to prescribe regulations that implement (1) electronic debit transaction interchange fee restrictions; and, (2) prohibitions against payment card network exclusivity arrangements and transaction routing restrictions related to the processing of electronic debit transactions. On December 16, 2010, the Board proposed Regulation II to implement these requirements. Wendy's/Arby's Group, Inc. appreciates the Board's efforts to address the complex and challenging issues at hand as well as the opportunity to submit comments expressing certain concerns regarding the proposal.

The Durbin Amendment requires the Board to implement interchange fee restrictions by July 21, 2011, which is one year after the enactment of the Durbin Amendment. The effective date for interchange fee restrictions should not be open to debate, as Congress mandated that these restrictions become effective on July 21, 2011. Further, the Board's proposed effective dates for network exclusivity and routing rule changes provide sufficient implementation time and should not be altered. The Board, through its meetings with and surveys of numerous debit card issuers, payment card networks, and merchant acquirers, obtained and analyzed an adequate amount of information on which to base its proposed effective dates. Therefore, we submit that there is no basis for delaying implementation of the proposed regulations beyond the Board's proposed dates.

Wendy's/Arby's Group, Inc. is the parent company of Wendy's® and Arby's® quick-service restaurant brands. Both brands are heavily franchised. Of the combined system's 10,000+ individual restaurants, approximately 75% are independently owned and operated by franchisees while only 25% are under direct control of Wendy's/Arby's Group, Inc. As the Board develops a regulatory framework for implementing Regulation II, we urge consideration of its impact not only on large corporations but also on hundreds of independent and often small franchisees who make up systems such as ours.

Additionally, the majority of Wendy's® and Arby's® sales are the result of small-ticket transactions, and approximately 75% of all electronic payments at Wendy's® and Arby's® corporate restaurants occur on debit cards. We, therefore, urge the Board to thoroughly examine the proposed regulations and consider the unique circumstances surrounding small-ticket transactions. Wendy's/Arby's Group supports the related comment letter jointly issued by the National Council of Chain Restaurants and the International Franchise Association, and encourages the Board of Governors of the Federal Reserve System to thoughtfully consider the comments proposed therein.

We appreciate the opportunity to comment on this proposed regulation and would be pleased to provide additional information to the Board regarding any aspects of these comments, if so desired.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'D. Collins', with a long horizontal flourish extending to the right.

Daniel T. Collins, Senior Vice President and Treasurer

Wendy's/Arby's Group, Inc.

A handwritten signature in black ink, appearing to read 'G. Waugh', with a long horizontal flourish extending to the right.

Gavin P. Waugh, Vice President and Assistant Treasurer

Wendy's/Arby's Group, Inc.