February 22, 2011

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

RE: Comments for Regulation II; Docket No. R-1404 and RIN No. 7100 AD63

Dear Ms. Johnson:

This comment letter is submitted on behalf of First Data Corporation ("First Data") in response to the proposal (the "Proposal") to implement Section 1075 of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("DFA") and the Official Staff Commentary thereto (the "Staff Commentary") issued by the Board of Governors of the Federal Reserve System (the "Board"). First Data appreciates the opportunity to present to the Board its view of the Proposal.

By way of background, First Data is a Fortune 300 company that is one of the leading payments processors in the world. Specifically, our services include the following areas:

- Our merchant acquiring and processing services facilitate the ability for merchants to accept consumer payment transactions (e.g. credit, debit, stored value, check, contactless and loyalty cards) at the point of sale, whether those transactions occur at a physical merchant location, or over the phone or the Internet. Our merchant customers have over 6 million locations worldwide, including over 4 million locations in the United States.

- Our financial institution services division assists with thousands of financial institutions large and small in their management of their payment transactions, efficiently reducing fraud losses and delivering relevant communications to their customers. First Data provides a comprehensive array of solutions including debit, credit and prepaid processing; card production, print and correspondence; customer contact; Internet banking and bill payment; loyalty and marketing; risk management; data analytics and mobile commerce. Additionally, we own and operate the STAR debit network, one of the leading electronic funds transfer (EFT) networks, as well as the Instant Cash ATM network.

- Our prepaid division provides stored value card services including reloadable payroll cards, branded prepaid cards and gift cards to a variety of merchants, card issuing financial institutions and employers across the country.

Board's Actions Concerning Regulation II

First Data understands the difficult task before the Board in implementing Section 1075 of the DFA, and we appreciate the opportunity to provide comments on the proposed regulations. Our commentary seeks to provide answers to several of the questions posed by the Board throughout its Proposal and provide general points of view that we believe will prove useful to the Board as it finalizes Regulation II.

Given our breadth of products and services across the entire payments industry value chain, First Data has a vested interest in maintaining a healthy payments system. We recognize the system must work for consumers, merchants, acquirers, networks, and issuers alike, yet achieving this balance will be a difficult task. We have a set of guiding principles that informs our approach to providing commentary, which includes the following:

- Preserving choice for all key constituents: consumers; merchants; and issuers
- Maintaining healthy and robust competition across the industry
- Maintaining a secure, reliable, and efficient payments system
- Ensuring an industry environment that is conducive to innovation

We offer our comments in the spirit of these guiding principles.

COMMENTS ON THE PROPOSAL

I. Scope of Rule, Coverage of ATM Transactions & Networks

The Board requests comment on whether ATM transactions and ATM networks should be included within the scope of the rule.

First Data believes that neither ATM transactions nor ATM networks should be subject to the debit interchange restrictions. As the Board pointed out in its Proposal, "traditionally…the interchange fee for ATM transactions is paid by the issuer and flows to the ATM operator." Thus, if ATM transactions are subject to an interchange rate cap, the operation of ATM terminals may become cost prohibitive for some ATM owners, which could lead to diminished consumer choice and competition.

However, we do believe that requiring at least two unaffiliated networks for ATM routing options would be consistent with the desire for increased competition in this environment. As financial institutions will be required, at a minimum, to participate in two unaffiliated POS debit networks, these same institutions could meet this network exclusivity requirement by ensuring that its two debit networks also functioned as ATM networks. We believe that this approach is consistent with what many financial institutions do today.

II. Section 235.2(k) Issuer

The Board recognizes that some issuers outsource to a third party some of the functions associated with issuing cards and authorizing, clearing, and settling transactions. The Board requests comment on whether there are circumstances in which an agent of an issuer also should be considered to be an issuer within the rules definition.

Unlike the credit card market, debit card issuers generally do not utilize third party agents. For that reason, First Data recommends that the definition of **debit card issuer** not include an agent of an issuer.

III. Section 235.2(g) Designated Automated Teller Machine (ATM) Network

Proposed § 235.2(g) clarifies the meaning of "reasonable and convenient access" as that term is used in the EFTA Section 920(a)(7)(C) in which a designated ATM network is defined as either (1) all ATMs identified in the name of the issuer or (2) any network of ATMs identified by the issuer that provides reasonable and convenient access to the issuer's customers.

Proposed comment 2(g)-1 provides that an issuer provides reasonable and convenient access, for example, if, for each person to whom a card is issued, the issuer provides access to an ATM within the metropolitan

statistical area (MSA) in which the last known address of the person to whom the card is issued is located, or if the address is not known, where the card was first purchased or issued, in order to access an ATM in the network. The Board states that it believes that having to travel a substantial distance from where the person is located, as determined by the last known address of the person to whom the card is issued, for an ATM in the network is neither reasonable nor convenient and that the MSA is a common, well-known way of defining a community.

First Data has significant concerns with the Board's proposed designation of "reasonable and convenient access" as providing cardholders ATM access in the MSA of their last known address.

First Data's subsidiary, Money Network, provides a type of general-use reloadable prepaid card, commonly known as a payroll card, to employers across the country who are interested in converting their paper paycheck systems to more convenient and efficient electronic systems. Among the many benefits of payroll cards is the fact that employees, including those who may be unbanked or underbanked, are afforded access to the banking system and greater options to access their pay than simply relying on costly check cashing services. In fact, the Board amended Regulation E in 2006 to specifically cover payroll cards, thus extending the same valuable consumer protections to payroll cardholders that "traditional" debit cardholders receive.

Employers offering the Money Network Program provide multiple options to their employees to access their pay at no charge, including the option to receive at least one free ATM withdrawal of their net pay each pay period. This is a relatively consistent approach among payroll card providers across the country; like us, they have made arrangements with certain financial institutions, retailers or ATM networks to provide for free withdrawals and other benefits for the cardholders.

If the Board's Proposal is adopted in its current form, not meeting this ATM requirement could result in some payroll card programs becoming subject to the debit interchange rate restrictions, significantly impacting the economics of these efficient and convenient programs. The unintended consequences could lead to fewer payroll card programs, thereby limiting choice and convenience for unbanked and underbanked employees, as well as employers.

In addition, an employer (particularly those with employees located in remote locations across the country) would have to match ATMs to the MSA of the last known address of thousands of employees, which is not feasible. Allowing issuers the flexibility to adopt procedures accordingly in a given state or geographic area is critical to an issuers' ability to craft a payroll card program that maximizes the benefits to employees and employers. Therefore, we strongly encourage the Board to adopt final regulations that provide a greater degree of flexibility for an issuer to provide "reasonable and convenient access" so long as the first monthly in-network ATM withdrawal is provided at no charge to the cardholder.

We believe that the Board can provide this flexibility by expanding its definition of "reasonable and convenient access" to include the following language:

a. Any network of ATMs identified by the issuer that provides reasonable and convenient access to the issuer's customers such as by
    i. Providing access to an ATM that is convenient to the primary location of the employer's work force; or
    ii. Providing access to a nationwide, surcharge free network.

IV. Section 235.3 Reasonable and Proportional Interchange Transaction Fees

The statute requires that the amount of any interchange transaction fee that an issuer receives or charges with respect to an electronic debit transaction must be "reasonable and proportional to the cost incurred by the issuer with respect to the transaction." Proposed §235.3 sets forth two alternatives (referred to as

"Alternative 1" and "Alternative 2") for determining the level of the allowable interchange fee. Alternative 1 proposes an issuer-specific approach combined with a safe harbor and a cap. Under Alternative 1, an issuer may receive or charge interchange transaction fees at or below the safe harbor amount or based on a determination of its allowable costs, up to a cap. Alternative 2 proposes a stand-alone cap.

In addition, the Board identified two other potential methods for implementing the interchange fee standards. The first approach would enable an issuer to comply with the proposed interchange fee standards, on average, for all of its electronic debit transactions over a particular debit network during a specified period of time. The second approach would allow an issuer to comply with the rule with respect to transactions received over a particular network as long as, on average, over a specified period of time, all covered issuers on that debit network meet the fee standard given the network's mix of transactions.

As an acquirer processor, an issuer processor, and a PIN debit network, First Data is responsible for providing secure, reliable, efficient and seamless payment transactions billions of times each year between merchants, financial institutions and consumers. Since First Data is not a card issuer, we take no position on what methodology or cost components should be used by card issuers to calculate debit interchange transaction fees.

In general, we do urge the Board to adopt measures to simplify debit interchange rate setting. Today, there are hundreds of data elements used to evaluate interchange fee program criteria submitted with an individual transaction's authorization request and /or settlement request, such as account number, authorized amount, settled amount, merchant category code, point of sale entry mode of card data, authorization response and currency codes, point of sale terminal capability, cardholder authentication, transaction identifier, card type and many more.

The continual addition of unique interchange fee programs, rate modifications and criteria for current programs requires merchant acquirer processors to expend considerable resources to accurately process these transactions. In addition to the demands on the processing systems, it is important to note that changes at any level require extensive operational modifications, testing and reviews, while notification of pricing changes to merchants must be communicated per the merchant agreement (which is often no less than 30 days prior to the effective date).

Importantly, all of this complexity reduces transparency into the cost of any individual transaction. Reducing the complexity and number of different debit interchange transaction fee levels will lead to fewer disruptions in the payments value chain, reduce operational risks and costs for acquirer processors and debit networks, improve transparency for all stakeholders and ensure faster operational implementation. This last point is particularly important given the short time frame that exists from the DFA debit interchange statutory effective date of July 21, 2011, and the Board's yet-to-be-completed final regulations.

As a result, we urge the Board to adopt an interchange fee standard that reduces the complexity associated with the processing of electronic debit transactions. We believe that a simplified rate structure for all transactions would lead to less complexity in calculating and setting interchange rates and would result in the least amount of disruption to the payments system.

Separately, we ask the Board, in its final regulations, to provide specificity around key interchange reporting requirements, such as whether interchange will be calculated to a two or three decimal position.

With regard to the Board's proposed additional alternatives that would allow for a permissible variation above the debit interchange standard, First Data believes that neither of the proposed flexible fee alternatives is appropriate because both would lead to greater complexity, less transparency and likely could

not be implemented by July 21, 2011. Further, we believe both alternatives would result in increased operating costs, while driving economic disparities between large and small merchants and large and small card issuers.

Therefore, we urge the Board to expressly prohibit any type of permissible variation above the proposed standard based on a network or issuer average interchange rate.

V. Section 235.4 Adjustment for Fraud-Prevention Costs

In paragraph B of Section 235.4 (Board's Consideration of an Adjustment for Fraud-Prevention Costs), the Board requests comment on how to implement an adjustment to interchange fees for fraud-prevention costs and what standards the Board should prescribe for issuers to meet as a condition of receiving the adjustment.

While First Data does not take a position on an appropriate interchange adjustment amount relative to fraud-prevention costs, we do believe the Board should adopt non-prescriptive fraud mitigation standards. Given the ever-changing threats to payment system security, we believe that non-prescriptive standards would be better for encouraging innovation and real-time adaptability.

Over the years, when faced with data security and privacy legislation at the state and federal level, First Data has espoused the position that government should refrain from mandating specific security standards, technologies or compliance with specific security standards or technologies because the payments industry needs the flexibility to continually modify its security systems, policies and procedures to combat fraud and ID theft, which are constantly evolving.

Prescribing detailed limitations and specific security structures would prevent the payments industry from incorporating innovative data security measures that adapt to ever-changing threats and technologies, thus making payment data less secure. Instead, we urge the Board to adopt flexible, risk-based standards that are commensurate with the sensitivity of the data as well as the size, complexity, and scope of the activities of the business entity in possession of sensitive data - standards that ultimately do not hamstring the ability of the payments industry to respond to existing and emerging threats to the security of payment card data.

If, however, the Board chooses to take a prescriptive approach in establishing fraud mitigation standards, we believe that it should pursue an existing standard that is freely accessible by all payments industry participants.

VI. Section 235.5(a) Exemption for Small Issuers

The Board requests comment on whether the rule should establish a consistent certification process and reporting period for an issuer to notify a payment card network and other parties that the issuer qualifies for the small issuer exemption. For example, the rule could require an issuer to notify the payment card network within 90 days of the end of the preceding calendar year in order to be eligible for an exemption in the next rate period.

We believe that a certification process or other means of clear communication to networks on the small issuer exemption should be developed, and that the system must be administered in a way that is easy to manage and does not add complexity to acquirer or issuer processors, card issuers or the payment card networks.

We agree with the Board's Proposal that the obligation should be on the non-exempt financial institutions to notify all networks of their non-exempt status. We also believe that the 90-day timeframe is appropriate for the modifications to be made to the interchange rate tables.

Separately, with respect to the DFA debit interchange exemption for issuers under $10 billion in assets, the STAR debit network has announced that it will support a two-tier interchange rate structure. We believe that the spirit of the DFA on this exemption is clear and expect to follow it by supporting both the federally-regulated debit interchange level for issuers above $10 billion in assets, as well as a competitive and market-driven interchange rate structure for those interchange-exempt issuers (under $10 billion in assets).

VII. Section 235.7(a) Prohibition on Network Exclusivity

*Proposed comment 7(a)-3 provides two alternative approaches for implementing the prohibition on network exclusivity contained under EFTA Section 920(b)(1)(A). Alternative **A** would require all debit card issuing financial institutions to participate in at least two unaffiliated debit access networks, regardless of authorization method, for processing electronic debit transactions. Alternative **B** would require all debit card issuing financial institutions to participate in at least two unaffiliated debit networks per authorization method for processing electronic debit transactions.*

First Data wholly supports and endorses the elimination of exclusive processing arrangements between a debit card issuer and a debit network because elimination will promote greater competition, transparency on true costs and choice, which has been eroded by the global payment networks. We believe that Visa's and MasterCard's ownership of the two signature debit networks and their network exclusivity agreements covering both signature and PIN authentication, particularly with the largest US card issuers, has enabled them to gain market share and further expand the influence of their debit duopoly over time at the expense of competition. Further, it is our opinion that this Visa and MasterCard duopoly allows for exertion of a disproportionate level of control over the debit market by, among other things, routinely replicating each others' policies and programs (e.g. PCI DSS, swipe-and-go, interchange rates, policies and practices) to the detriment of network competitors and other market participants.

As such, given that the public policy intent of this provision in Section 1075 of the DFA is to increase network competition, we believe that the prohibition of network exclusivity is insufficient on its own to accomplish this policy objective. Additional limitations must be adopted to prevent continuation (in only a slightly modified form) of this Visa and MasterCard duopoly which not only undercuts competition within the debit market in general but also merchant and consumer choice in particular. In our view, the Board can successfully meet the congressional intent of this provision by (1) prohibiting only Visa and MasterCard brands from being on the same debit card in proposed Alternative A, or (2) stating that exclusivity under Alternative B is not met if an issuer solely chooses Visa's signature and PIN debit network concurrently with MasterCard's signature and PIN debit network.

If the Board's final regulations were to allow Visa and MasterCard brands to reside on the same debit card, the result would be regulatory approval of an environment that enables the continuation of many of the same market distortions caused by this historical duopoly (e.g. if one is the signature debit authentication method -- which is inevitable to the extent Visa and MasterCard are the only networks that possess both signature and PIN authentication capabilities -- and the other is the PIN debit authentication method on a debit card).

With respect to First Data's opinion on the proposed alternatives, we believe that both will lead to enhanced competition and routing choice when compared to the status quo.

Alternative A would provide the quickest implementation timeframe since it could be implemented by the proposed October 1, 2011 effective date, and it would provide the fastest path to increased merchant choice and the least amount of near-term disruption to all stakeholders in the payments value chain.

Alternative A would also be easier to implement on prepaid products such as reloadable, general use prepaid cards and cards associated with employer-sponsored healthcare programs, such as flexible spending account cards or health reimbursement account cards.

Alternative B would clearly provide a greater amount of debit transaction routing choice to merchants as well as competition in the debit network space. However, due to technical and operational challenges from both an acquirer processing and an issuer processing perspective, and questions around how the global payment networks (Visa and MasterCard) would implement and/or modify their rules, we believe a longer implementation timeframe would be necessary to achieve compliance with Alternative B.

In order to accommodate routing across multiple signature debit networks under Alternative B, we identify below just a few of the issues that would need to be addressed by a combination of the Board and key payments industry participants:

- Issuers and issuer processors would need to build the capability to:
  - Support multiple formats for authorization messages and settlement records (online and batch interfaces) for a single BIN range; and
  - Re-configure debit issuing systems to replace routing logic that dictates settlement, reconciliation, dispute processing and fraud reporting based on the first digit of the card BIN.

- Merchants and merchant processors would need to develop the capability to:
  - Identify BIN and supported networks at point of sale and front-end host systems to ensure that transaction messages are routed to the network chosen by the merchant for authorization (vs. the current processing environment in which the signature debit network is identified by the first digit of the BIN); and
  - Re-configure acquirer processor front-end host systems to allow designation of more than one signature debit network for routing.

- In addition, we believe that point of sale terminals in the United States would need to be re-programmed and/or replaced to:
  - Ensure settlement records are identified correctly and submitted to the appropriate network; and
  - Change printing of network brands on receipts (currently, the card brands require their brand names to be printed on receipts).

Today, the BIN management and rules function for signature debit cards resides with Visa and MasterCard. In an Alternative B scenario where there would be two unaffiliated debit networks operational for each authorization method (e.g. two signature debit and two PIN debit networks) for an issuer's BIN, we believe that the issuer should own and control the BIN, not the payment network. In particular, Visa or MasterCard should be prohibited from creating or enforcing any rules regarding those shared BINs as it relates to other networks on those BINs.

Supporting Alternative B from both an acquirer processing perspective and an issuer processing perspective is certainly achievable, and implementation could be accomplished for select large merchants and issuers. However, from a broader payments industry perspective it is unclear how long or how difficult it will be for other industry players (e.g., acquirer processors, issuer processors, small merchants) to institute the changes necessary to support Alternative B.

As a result, if the Board selects Alternative B as the desired outcome, the aforementioned implementation uncertainties and longer-term timeline must be taken into account. We strongly urge the Board to adopt Alternative A, along with the proposed October 1, 2011 effective date. We also recommend that the Board transition to Alternative B over a period of time that would enable the payments industry to address the aforementioned issues on a broad scale.

Additionally, we recommend that the Board take the following steps to ensure the spirit of true competition, as envisioned by the network exclusivity language contained in the DFA.

1. The Board's final regulations should clearly and explicitly state that the global payment networks, Visa and MasterCard, will be treated as if they were a single, affiliated network due to their duopoly in the processing of both PIN and signature debit cards. If an issuer establishes a relationship with only these two market participants, the potential for broad debit network competition – that would benefit merchants and consumers – would be reduced significantly.

   In other words, if the Board opts for Alternative A (two unaffiliated networks, regardless of authorization method), then it should structure the final regulations so that debit cards enabled only with Visa's signature debit or PIN brand and MasterCard's signature debit or PIN brand do not comply with the network exclusivity requirements as proposed in Alternative A. Without such language, a card issuer would have the ability to comply with the DFA and the Board's regulations by simply participating in the two global payment networks, thus perpetuating the current duopoly, limiting merchant choice and limiting the ability of other debit networks to compete.

   If, however, the Board chooses Alternative B in its final regulations, we recommend that it structure the regulations so that an issuer choosing only Visa's signature and PIN network in addition to choosing MasterCard's signature and PIN network would not meet the two unaffiliated signature and two unaffiliated PIN networks requirement.

   To further enhance competition and choice in the debit network space, we believe the Board should clarify that an issuer may choose to enable both Visa and MasterCard signature and PIN debit authorization methods on its debit cards; however, only one authorization method would comply with the Board's exclusivity requirements, and the issuer must select by contract which authorization method would apply. For example, if a network is enabled for signature debit, this does not automatically activate that network for PIN debit unless the issuer has explicitly contracted with that network. First Data strongly believes that without this clarification, the Congressional intent of this provision – to foster competition in the debit network space – would be unfulfilled.

2. In order to continue to enable consumer choice of signature debit versus PIN debit *and merchant choice of debit transaction routing, certain rules and/or technical requirements that are currently administered by the global payment networks will need to be eliminated. These rules prohibit true routing based on competition and choice. Instead, these rules place limitations on the merchant routing practices, and in some cases result in additional fees to merchants, acquirers and issuers.*

   As a result, we urge the Board to issue final regulations that clearly and explicitly prohibit the global payment networks' "competing national network" rule.

3. To enhance competition and advance the goals and purposes underlying the network exclusivity language contained in the DFA, certain fees assessed by the global payment networks should be eliminated. These fees which are assessed on all transactions not routed through the assessing network serve to create incremental and unnecessary costs in the payments system, to deter fair competition and to create de facto exclusivities and unreasonably distort economics in favor of the global payment networks. First Data strongly believes without the Board clearly and expressly prohibiting charges based on the transactions routed through competing networks, the goals and purposes behind the DFA will be undermined.

4. In the proposed comment for Section 235.7(a)-6, the Board states that nothing in the rule requires a debit card to identify the brand, mark or logo of each payment card network over which an electronic debit transaction may be processed. First Data fully endorses this approach.

   Due to the high priority that the DFA places on ensuring merchant choice, we have a distinct concern about the possibility that trademark infringement and other legal claims could be asserted by Visa or MasterCard if a card issuer, payment processor, network, or acquirer added another network's brand to Visa- and MasterCard-branded cards, point of sale terminals or receipts.

   We believe there is a possibility that the global payment networks might assert claims of trademark infringement or other claims against acquirers or networks for routing transactions from Visa- or MasterCard-branded cards through other networks at the discretion of the merchant in an effort to prevent merchants from obtaining the benefit of merchant-controlled routing as intended in Section 1075 of the DFA. While we believe these claims would ultimately prove to be frivolous and unsuccessful, the mere threat of such claims and the costs associated with defending them would inhibit merchants from obtaining the full benefit of merchant-controlled routing and impede their ability to take advantage of the benefits cumulatively afforded by Section 1075. We also have concerns about other situations where a card is presented at a terminal that has one or both of the global payment networks' brands on a card as well as decals at the POS, and the electronic debit transaction is routed through a different network. If successful, these trademark infringement claims would serve to limit the number of networks available to merchants for routing.

   In keeping with the letter and spirit of the network exclusivity provisions of the DFA, we therefore urge the Board to provide safe harbor language ensuring that a merchant, financial institution, issuer processor, acquirer processor or other industry participant not be subject to legal action for alleged trademark infringement violations or other claims based upon a transaction from a card co-branded with the Visa or MasterCard brand being routed over any other network in which the card participates.

5. It has been a long-standing industry practice that the first digit on a Visa-branded card is a 4, while the first digit on a MasterCard-branded card is a 5. Many other processes have keyed off that first digit or use it as a validation check. Reporting, chargebacks, receipts, settlement and billing are some of the back-end processes that depend on that first digit.

   We ask that the Board include a safe harbor for acquirer processors and merchants that identify a card as Visa- or MasterCard-branded by using the first digit of the card BIN and do not route the transaction through Visa's or MasterCard's system. With this in mind, we also recommend that the Board provide a transition period for the industry to update its processing systems.

VIII. Section 235.7(b) Prohibition on Merchant Routing Restrictions

Section 235.7(b) requires the Board to prescribe rules prohibiting an issuer or payment card network from directly or indirectly inhibiting the ability of merchants to direct the routing of electronic debit transactions to process over any payment card network. Proposed comment 7(b)-2.ii would not prohibit an issuer or payment card network from routing an electronic debit transaction if required to do so under state law.

First Data recommends that the Board preempt any state laws that mandate how electronic debit transactions are to be routed. Without preemption, a loophole will be created allowing networks or other parties to secure enactment of state laws mandating debit transaction routing favorable to a particular network. Any successful efforts would create a patchwork of state laws that would not only result in higher administrative costs to be borne by the entire payments industry, but it would also circumvent both the network exclusivity and merchant routing provisions in both the DFA and final regulations.

Separately, First Data wholly supports the Board's example of prohibited activities contained in proposed comment 7(b)-2iii (prohibiting payment card networks from requiring a particular method of debit card authorization based on the type of access device provided by the cardholder). We believe these types of prohibitions are necessary to provide for the competitive environment envisioned by the DFA.

Additionally, to fully comply with the merchant routing provisions, we urge the Board to provide clear and explicit guidelines on the following:

- Payment card networks should be prohibited from controlling the routing of electronic debit transactions if mutual functionality is not supported. Currently, not all PIN debit networks support the same functionality. For example, some support PINless debit transactions, while others do not.
- Payment card networks should be prohibited from mandating or adopting rules that require all merchants with a particular acquirer sponsor to accept their network at all locations.
- Payment card networks should be prohibited from establishing rules dictating the routing of electronic debit transactions within a geographic area.

Finally, we urge the Board to explicitly clarify the effective date for this section (235.7(b)) so that acquirers and acquirer processors can plan accordingly.

We appreciate the opportunity to provide comments on Regulation II. Please feel free to contact me with any questions you may have.

Sincerely,

Joe Samuel
SVP Global Public Affairs
First Data