

February 22, 2011

**BY EMAIL**

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

Re: Docket No. R-1404 (Debit Card Interchange Fees and Routing)  
RIN No. 7100 AD63

Dear Ms. Johnson:

J. C. Penney Corporation, Inc. ("JCPenney") respectfully submits this letter in response to the notice of proposed rulemaking published by the Federal Reserve Board ("Board") in the Federal Register on December 28, 2010. *Debit Card Interchange Fees and Routing*, 75 Fed. Reg. 81,722 (proposed Dec. 28, 2010) ("NPRM").

Founded in 1902 by James Cash Penney, JCPenney is one of America's leading retailers, operating throughout the United States and Puerto Rico. The Company, headquartered in Plano, Texas, has 1,107 stores in the United States (including Puerto Rico) and 150,000 associates. JCPenney has the largest apparel and home furnishing site on the Internet, jcp.com. Across its integrated enterprise, JCPenney offers a wide array of national, private and exclusive brands which reflect the Company's commitment to providing customers with style and quality at compelling prices. For many of our customers, debit cards are the payment method of choice.

Therefore, we appreciate the significant time and effort the Board has devoted to developing proposed regulations that are consistent with the bipartisan compromise reflected in Section 920 of the Electronic Fund Transfer Act. As the Board finalizes its rulemaking, we strongly urge the Board to take into account the thoughtful, specific comments and proposals submitted to you today by the Merchants Payments Coalition, with which we concur.

We further urge the Board to promulgate final regulations, within the timeframe specified in Section 920, that are faithful to the statutory mandate and build on the extensive work evidenced by the NPRM.

JCPenney appreciates the opportunity to comment on the NPRM. We would be pleased to discuss our views with you further should you desire to do so.

Sincerely,



Mary Berzak  
Bank Card Operations Manager



Betsy J. Carter  
Senior Managing Counsel

JCPenney

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Plano, TX 75024