



August 2, 2021

Debit Card Interchange Fees and Routing
Docket No. R-1748, RIN 7100-AG15

The American Booksellers Association (ABA) supports the Federal Reserve's plan to clarify that banks must allow retailers to decide where to route online "card not present" debit card transactions -- the same as banks do with in-store debit transactions. This clarification will help contain network costs for America's small businesses.

As the national trade association for independent bookstores with 1800 members, ABA has seen the deep financial impact the pandemic has had on small businesses. More than one bookstore per week permanently has closed since the pandemic began. For the independent bookstores that weathered through, online sales were vital to their survival. In 2020, independent bookstores saw an unprecedented 772 percent increase in online sales compared to 2019. However the lack of online routing choice for debit card transactions meant an added expense for bookstores, and it continues to dampen pandemic recovery efforts.

The Durbin Amendment mandates that issuing banks provide two unaffiliated debit networks on their debit cards for merchants to decide whether to route transactions on one of the dominant networks (which is more costly) or on one of the smaller domestic networks. This mandate must apply for all transactions regardless of whether the purchase is in-store or online.

Thank you for the opportunity to provide comments on the proposed clarification. ABA is glad to see the Federal Reserve move to clarify the law on debit network routing options and hopes to see the Board work to lower the cap on debit card interchange fees in the future.

Sincerely,

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