

Proposal: 1748 (AG15) Regulation II - Debit Card Interchange Fees and Routing

Description:

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From: Jamie Henry

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Subject: R-1748; Regulation II - Debit Card Interchange Fees and Routing

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Comments:

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Proposal: Debit Card Interchange Fees and Routing [R-1748]

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Your comment: I am pleased to share my comments regarding the Federal Reserve Board of Governor's proposed clarifications to the debit routing provisions in Regulation II. I support the Board's commitment to preserve competition in the debit routing market and ensure merchants have the right to choose amongst multiple unaffiliated networks for all debit transactions. In 2010, Congress recognized the damage network exclusivity contracts were inflicting on the market and passed necessary reforms to protect and foster competition. Since Regulation II was implemented, merchants have faced increasing obstacles to access multiple networks from which to choose when completing a debit transaction. The current lack of PINless enablement by some of the largest debit issuers, leaves merchants with no choices when a card is used for eCommerce and other card-not-present transactions. The letter and spirit of the law are clear, merchants have a right to choose amongst competing debit networks, and that right is not limited to only card present transactions. Competition is a cornerstone of the U.S. economy. Lack of competition, as we have witnessed in the U.S. payments card market artificially inflates costs and stifles innovation. By clarifying that the U.S. debit routing law applies to all debit transactions, including CNP, the Board will protect merchant routing rights, preserve competition in the market and help contain costs. Once again, I appreciate the Board's commitment to clarifying and enforcing the debit routing provision in Regulation II. I encourage the Board to act swiftly to finalize the clarifications and begin robust enforcement before any more damage is done in the market.