



2178 Marshall Ave St. Paul, MN 55104

February 29, 2024

The Hon. Neel Kashkari, President
Federal Reserve Bank of Minnesota
90 Hennepin Avenue
Minneapolis, MN 55401

Dear President Kashkari,

I am the owner of Marshall Cretin Auto, a privately held full-service station proudly providing St. Paul and Minneapolis customers with quality car care since 1961. I'm writing to urge your support of the Federal Reserve's proposed regulated rate rule that will have the effect of lowering the transaction fees associated with the use of debit cards, fees that are increasingly being passed along to consumers.

The current regulated rate went into effect in 2011. A lot has happened since then, including a dramatic reduction in banks' costs to process payments for debit card transactions.

According to the Federal Reserve's data, average debit card issuer's costs have decreased by nearly half since 2011 to 3.9 cents. The newly proposed regulated rate is 14.4 cents plus 1.3 cents for fraud prevention and a .04 percent transaction fee to cover bank's fraud losses for an average transaction fee of 17.7 cents. This stands in stark contrast to 3.9 cents per transaction, as currently estimated.

Transaction fees are the cost of doing business and fraud prevention is important, but the regulated rate should be "reasonable and proportional" according to Dodd-Frank, which suggests limits on the debit interchange fees.

We view the proposed regulated rate rule to be a positive step taken by the Federal Reserve. We urge you to support it. We also urge you to support a rate that is reasonable and proportional to the costs associated with debit transactions. And we also urge you to support the 2-year automatic adjustment process as proposed by the rule. This is an important provision.

Thank you for your attention to this matter.

A handwritten signature in blue ink, appearing to read "Steve Anderson".

Steve Anderson, Owner
Marshall Cretin Auto Care