



February 24, 2024

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

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President's Office

President Kashkari:

As a family owned and operated company in Northern Minnesota, I'm writing today on behalf of customers of Orton Oil's 15 company-owned sites as well as our own stores throughout northern Minnesota to ask your support of the Federal Reserve Board's proposed rule aiming to revise the debit card regulated rate.

We appreciate the Federal Reserve's steps toward a regulated rate for debit card transactions. We understand the Federal Reserve's own data indicates the cost for processing a transaction is 3.9 cents, a rate that is significantly lower than the proposed interchange rate of 14.4 cents.

Almost all of our customers are adversely impacted by these onerous debit card swipe fees. The substantial increase in debit card usage in the post-pandemic era has driven the cost of business to the point where costs must be passed on to customers, during this inflationary period. This could be avoided with a reasonable and proportional rate as required by law.

We also appreciate that a fair rate, one that represents a base fee, a loss component and a fraud prevention adjustment is needed, even though Federal Reserve data indicates the fraud burden has been shifting away from banks onto merchants over the past decade. This situation needs to be corrected.

Finally, we appreciate the Board's action to reduce the debit rate and establish updates to the rate every other year, provided the automatically adjusted rates fully reflect the "reasonable and proportional" level as mandated by law.

Thank you for your attention to this rulemaking that is critically important to the customers of Orton Oil. We serve convenience stores and local resorts across Minnesota Lakes Country that feel the burden of debit swipe fees with increased usage of debit cards. Please support a revised regulated debit fee that is reasonable and proportional and doesn't need to be passed along to our customers.

Sincerely,

A handwritten signature in blue ink, appearing to be "Frank Orton", written over a light blue horizontal line.

Frank Orton