

March 14, 2024

The Hon. Neel Kashkari
90 Hennepin Avenue
Minneapolis, MN 55401

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President's Office

Dear President Kashkari,

We are the 4th largest brewery in Minnesota, located on the beautiful shores of Lake Superior in Two Harbors, Minnesota. We have a heavy tourist industry along the North Shore, which we rely on for our Taproom business. Please come visit us!

I am writing to you today to urge your support of the Federal Reserve Board's proposed rule that will revise the debit card regulated rate, otherwise known as the "swipe fee" for debit cards. The Fed is also considering, as part of this proposed rule, establishing a process by which the regulated rate is reviewed and adjusted every two years. This, too, is a necessary reform.

Since the current regulated rate went into effect in 2011, the costs to process payments have decreased by nearly half to 3.9 cents per transaction. However, the proposed rate is 14.4 cents, plus additional fees for fraud and bank loss protections bringing the total average transaction fee to 17.7 cents. Federal law, as part of the Dodd-Frank Wallstreet Reform and Consumer Protection Act of 2010, required that "reasonable and proportional" limits be placed upon the debit interchange fee.

Since the pandemic, the use of debit cards has increased dramatically for consumers that would prefer to purchase with cash or check. While Castle Danger Brewery accepts more credit cards than debit cards, we still see a fair number of debit card transactions. Fees associated with these transactions are having an impact on our bottom line.

Please support the Federal Reserve's proposed rule to revise the regulated rate for debit cards. Please support the revision of the regulated rate on a two-year basis going forward. And please support a rate that is "reasonable and proportional" to the transaction costs.

Thank you for your attention to this matter.

Sincerely,



Jamie MacFarlane
Chief Financial Manager & Co-Owner

