

April 24nd, 2024



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

Dear President Kashkari,

I am writing today to urge your support of the Federal Reserve's proposed rule change to the debit card regulated rate and establish a 2-year adjustment cycle. The regulated rate has not been changed since 2011, despite legal requirement to do so making this rule change very important.

I have Amoco Outpost in Lakeville and Penn Minnoco in Minneapolis and am involved with the trade association for service stations throughout Minnesota. The Minnesota Service Station and Convenience Store Association has already taken a position in favor of the proposed rule. I wanted to add my voice.

I appreciate the direction this proposed rule change takes. However, I would note that the Federal Reserve's own data show the cost for processing a debit card transaction for banks to be 3.9 cents. This is significantly lower than the proposed rate of 14.4 cents.

When fees are added for bank loss due to fraud (a cost increasingly borne by merchants), the proposed rate rises to an average of 17.7 cents per transaction, a cost that must be built into the prices we charge our customers, who may be using a debit card because they are reliant upon cash only for purchases.

The 2010 Dodd-Frank Act mandates that the regulated rate for debit card transactions be "reasonable and proportional" to the costs incurred to the issuers. We appreciate the Board's step in this direction to revise the regulated rate for debit card transactions. We appreciate the review of this rate every two years.

Thank you for your attention to this matter and please support a rule that is reasonable and proportional and adjusted on a regular basis of two years.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Bohnen", written over a light-colored rectangular background.

Richard Bohnen
Lakeville Outpost and Penn Minnoco
Phone: 612-869-4272