

Payment Card Network Survey

FR 3062

OMB. No. 7100-[NEW]

Approval Expires Feb. 2011

This report is required by law [Pub. L. 111-203, § 1075, 124 Stat. 1376 (2010)].

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Response form

Networks covered in this survey response

Unique identifier (provided in cover letter to survey)

Primary contact for this survey response

Name:

E-mail:

Phone:

Public reporting burden for this collection of information is estimated to be 150 hours per response, including the time to gather data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden to: Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, D.C. 20551, or via email to regs.comments@frb.gov; and to the Office of Management and Budget, Paperwork Reduction Project (7100-0079), Washington, D.C. 20503.

Please refer to the instructions that accompanied this survey. Do not leave any cells in the survey blank. If a response to a particular cell does not exist, enter a 0. If a response to a particular cell cannot be determined, enter DK for "don't know." If you have other questions or difficulties, Board staff can assist you. Please call Jennifer Davidson at 202-452-2446 or email Interchange.Survey@frb.gov for assistance. Provide your name, organization, and contact information along with your inquiry when you call or email.

Section I. Payment Card Network Information

	Signature debit (1)		PIN debit (2)		Prepaid (3)	
	Number	Value	Number	Value	Number	Value
A. Purchases and returns						
1. Total transactions						
a. Transactions that included cash back						
b. Cash-back amount						
B. Transaction environment						
1. Card-present						
2. Card-not-present						
C. Transaction type						
1. Purchase						
2. Return						
D. Transaction location						
1. Domestic						
2. International						
E. Merchant acceptance						
1. Number of merchants						
2. Number of merchant locations						
F. Card issuance						
1. Number of card issuers						
2. Number of cards						
G. Network coverage						
1. Domestic regions covered						
2. International regions covered						

Please provide any explanatory comments regarding your response above, if needed.

II.A. Interchange fees paid to issuers and charged to acquirers

Fee	Fee program name	Fee program description and qualification criteria	Use environment		Effective dates		Interchange fee				Number of transactions	Total value of transactions (\$)	Total fees provided to issuers (\$)	Explanatory Comments
			Card-present	Card-not-present	Start date	End Date	Dollar per transaction (\$)	Percentage of transaction value (%)	Dollar minimum on fee (\$)	Dollar cap on fee (\$)				
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	
Example	Restaurant Debit	Applies to all restaurants	x		1/1/2009	4/30/2009	0.10	1.19	n.a.	n.a.	10,000,000	500,000,000	10,500,000	
Signature Debit														
1														
2														
3														
4														
Add additional programs as needed														
Total signature debit														
PIN Debit														
1														
2														
3														
4														
Add additional programs as needed														
Total PIN debit														
Prepaid														
1														
2														
3														
4														
Add additional programs as needed														
Total prepaid														

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II.B. Network fees charged to issuers that are assessed on a per-transaction basis

Fee	Fee type	Fee description	Effective dates		Fee			Number of transactions	Total value of transactions (\$)	Total transaction fees charged to issuers (\$)	Explanatory Comments
			Start date	End Date	Dollar per transaction (\$)	Percentage of transaction value (%)	Other (describe calculation method)				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Example	Switch fee	Fee to process transactions	1/1/2009	12/31/2009	0.03	n.a.	n.a.	1,000,000,000	150,000,000,000	30,000,000	
	Signature Debit										
	1										
	2										
	3										
	4										
	Add additional programs as needed										
	Total signature debit										
	PIN Debit										
	1										
	2										
	3										
	4										
	Add additional programs as needed										
	Total PIN debit										
	Prepaid										
	1										
	2										
	3										
	4										
	Add additional programs as needed										
	Total prepaid										

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ILC. Network fees charged to issuers that are not assessed on a per-transaction basis

Fee	Fee type (1)	Fee description (2)	Optional (3)	Effective dates		Fee (6)	Fee calculation volume, if applicable (7)	Total non-transaction fees charged to issuers (\$) (8)	Explanatory Comments (9)
				Start date (4)	End Date (5)				
Example	Licensing assessment	Tiered monthly participation fee	No	1/1/2009	12/31/2009	\$x per month for up to A cards outstanding; \$y per month for between A and B cards outstanding; \$z per month for more than B cards outstanding	n.a.	50,000,000	
Signature Debit									
1									
2									
3									
4									
Add additional programs as needed									
Total signature debit									
PIN Debit									
1									
2									
3									
4									
Add additional programs as needed									
Total PIN debit									
Prepaid									
1									
2									
3									
4									
Add additional programs as needed									
Total prepaid									

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III.D. Other program fees paid to issuers, or discounts in fees paid by issuers (e.g., incentive programs, etc.) (excluding interchange fees reported in section II.A)

Fee	Fee or discount type	Fee or discount description	Effective dates		Fee or discount	Number of issuers in program	Fee or discount calculation volume, if applicable	Total fees paid or discounted to issuers (\$)	Explanatory Comments
			Start date	End Date					
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Example	Volume incentives	Payment to issuers for volumes exceeding certain thresholds	1/1/2009	12/31/2009	x% discount on fees for volume over y million	1	n.a.	300,000	
	Signature Debit								
	1								
	2								
	3								
	4								
	Add additional programs as needed								
	Total signature debit								
	PIN Debit								
	1								
	2								
	3								
	4								
	Add additional programs as needed								
	Total PIN debit								
	Prepaid								
	1								
	2								
	3								
	4								
	Add additional programs as needed								
	Total prepaid								

Sample Submission
Not Valid for Submission

II.E. Network fees charged to acquirers or merchants that are assessed on a per-transaction basis (excluding interchange fees reported in section II.A)

Fee	Fee type	Fee description	Effective dates		Fee			Number of transactions	Total value of transactions (\$)	Total fees charged to acquirers or merchants (\$)	Explanatory Comments
			Start date	End Date	Dollar per transaction (\$)	Percentage of transaction value (%)	Other (describe calculation method)				
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Example	Switch fee	Fee to process transactions	1/1/2009	12/31/2009	0.03	n.a.	n.a.	1,000,000,000	150,000,000,000	30,000,000	
	Signature Debit										
	1										
	2										
	3										
	4										
	Add additional programs as needed										
	Total signature debit										
	PIN Debit										
	1										
	2										
	3										
	4										
	Add additional programs as needed										
	Total PIN debit										
	Prepaid										
	1										
	2										
	3										
	4										
	Add additional programs as needed										
	Total prepaid										

Sample Submission
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III.F. Network fees charged to acquirers or merchants that are not assessed on a per-transaction basis

Fee	Fee type (1)	Fee description (2)	Optional (3)	Effective dates		Fee (6)	Fee calculation volume, if applicable (7)	Total fees charged to acquirers or merchants (\$) (8)	Explanatory Comments (9)
				Start date (4)	End Date (5)				
Example	Licensing assessment	Tiered monthly participation fee	No	1/1/2009	12/31/2009	\$x per month for up to A cards outstanding; \$y per month for between A and B cards outstanding; \$z per month for more than B cards outstanding	n.a.	50,000,000	
Signature Debit									
1									
2									
3									
4									
Add additional programs as needed									
Total signature debit									
PIN Debit									
1									
2									
3									
4									
Add additional programs as needed									
Total PIN debit									
Prepaid									
1									
2									
3									
4									
Add additional programs as needed									
Total prepaid									

Sample Survey Submission
Not Valid for Submission

II.G. Other program fees paid to acquirers or merchants by or discounts in fees paid by acquirers or merchants (e.g., incentive programs, etc.)

Fee	Fee or discount type (1)	Fee or discount description (2)	Effective dates		Fee or discount (5)	Number of acquirers or merchants in program (6)	Fee or discount calculation volume, if applicable (7)	Total fees paid or discounted to acquirers or merchants (\$) (8)	Explanatory Comments (9)
			Start date (3)	End Date (4)					
Example	Volume incentives	Payment to issuers for volumes exceeding certain thresholds	1/1/2009	12/31/2009	x% discount on fees for volume over y million	1	n.a.	300,000	
Signature Debit									
1									
2									
3									
4									
Add additional programs as needed									
Total signature debit									
PIN Debit									
1									
2									
3									
4									
Add additional programs as needed									
Total PIN debit									
Prepaid									
1									
2									
3									
4									
Add additional programs as needed									
Total prepaid									

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Section III. Historical Interchange Fees

	Total interchange fees reimbursed to issuers	Total number of transactions	Total value of transactions	Average interchange fee as a percentage of total transaction value
Year	(1)	(2)	(3)	(4)
Signature Debit				
1990				
1995				
2000				
2005				
2009				
PIN Debit				
1990				
1995				
2000				
2005				
2009				
Prepaid				
1990				
1995				
2000				
2005				
2009				

Please provide any explanations as to changes or trends in interchange rates from 1990 to 2009.

IV.A. Fraud prevention costs

	Type of fraud prevention activity	Fully allocated costs			Cost allocation methodology for joint costs if not based on the number of transactions (include percentage of fully allocated costs that are joint)
		PIN debit (\$)	Signature debit (\$)	Prepaid (\$)	
	(1)	(2)	(3)	(4)	(5)
1	Specialized authorization services				
2	Transaction verification				
3	Cardholder transaction monitoring				
4	Merchant transaction monitoring				
5	Development/assessment of merchants' security programs				
6	Data compromise response				
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
Total					

Please provide any explanatory comments in the space below.

IV.B. Data security costs

	Type of data security activity (1)	Fully allocated costs			Cost allocation methodology for joint costs if not based on the number of transactions (include percentage of fully allocated costs that are joint) (5)
		PIN debit (\$) (2)	Signature debit (\$) (3)	Prepaid (\$) (4)	
1	Data access controls				
2	Data processing security				
3	Communications security				
4	PCI compliance				
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
Total					

Please provide any explanatory comments in the space below.

Section V. Fraud Losses

V.A. Signature debit fraud losses

	Type of fraud (1)	Number of fraudulent transactions		Value of fraudulent transactions		Percentage of net fraud loss value after representations		
		Gross (2)	Net after representations (3)	Gross (\$) (4)	Net after representations (\$) (5)	Issuers and cardholders (%) (6)	Network (%) (7)	Acquirers and merchants (%) (8)
1	Lost or stolen							
2	Counterfeit							
3	Mail order, telephone order, Internet order							
4	Account takeover							
5	Family fraud							
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
Total signature debit								

Please provide any explanatory comments in the space below.

V.B. PIN debit fraud losses

	Type of fraud	Number of fraudulent transactions		Value of fraudulent transactions		Percentage of net fraud loss value after representations		
		Gross (2)	Net after representments (3)	Gross (\$) (4)	Net after representments (\$) (5)	Issuers and cardholders (%) (6)	Network (%) (7)	Acquirers and merchants (%) (8)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Lost or stolen							
2	Counterfeit							
3	Mail order, telephone order, Internet order							
4	Account takeover							
5	Family fraud							
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
Total PIN debit								

Please provide any explanatory comments in the space below.

V.C. Prepaid fraud losses

	Type of fraud	Number of fraudulent transactions		Value of fraudulent transactions		Percentage of net fraud loss value after representations		
		Gross (2)	Net after representments (3)	Gross (\$) (4)	Net after representments (\$) (5)	Issuers and cardholders (%) (6)	Network (%) (7)	Acquirers and merchants (%) (8)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Lost or stolen							
2	Counterfeit							
3	Mail order, telephone order, Internet order							
4	Account takeover							
5	Family fraud							
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
Total prepaid								

Please provide any explanatory comments in the space below.

Section VI. Fraud Occurrence and Mitigation

VI.A.) Is the level or incidence of fraud influenced by whether the authorization of an electronic debit transaction occurs in a card-present or card-not-present environment?

YES **NO**

If the answer to the above question is "Yes," please briefly explain in the space provided below.

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VI.B.) Is the level or incidence of fraud in a card-present environment influenced by whether the authorization of an electronic debit transaction is based on a PIN or a signature?

YES **NO**

If the answer to the above question is "Yes," please briefly explain in the space provided below.

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VI.C.) Is the level or incidence of fraud in a card-present environment influenced by whether an electronic debit transaction occurs face to-face or unattended? **YES** **NO**

If the answer to the above question is "Yes," please briefly explain in the space provided below.

VI.D.) Have existing interchange fees influenced incentives for each party involved in electronic debit transactions to reduce fraud on such transactions? **YES** **NO**

Please briefly explain why or why not in the space provided below.

VI.E.) Are there any industry-wide estimates available of fraud prevention and data security costs expended by each party involved in electronic debit transactions?

YES **NO**

If the answer to the above question is "Yes," please briefly explain in the space provided below.

Sample Survey
Not Valid for Submission

VI.F.) In addition to the network estimates provided in response to section V are there any industry-wide estimates available of fraud losses absorbed by each party involved in electronic debit transactions?

YES **NO**

If the answer to the above question is "Yes," please briefly explain in the space provided below.

Sample Survey
Not Valid for Submission

VI.G.) Are there any industry accepted or network required fraud prevention standards with which issuers and merchants must adhere? **YES** **NO**

If the answer to the above question is "Yes," please briefly explain in the space provided below.

Sample Survey
Not Valid for Submission

VI.H.) In the space provided below, briefly describe any available, economical means by which fraud on electronic debit transactions can currently be reduced by each party in such transactions. Also, please describe additional future means that may be available to prevent fraud.

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Section VII. Exclusivity Arrangements and Routing Procedures

VII.A.) Does your organization currently have any rules, guidelines, policies, interpretations, or otherwise with regard to an issuer's ability to issue debit cards (whether signature or PIN-based) or prepaid cards that:

YES NO

1. Require debit cards or prepaid cards issued on your payment card network to be exclusively processed on your payment card network (or an affiliated payment card network)?

2. Limit or otherwise restrict an issuer's ability to issue debit cards or prepaid cards that can be processed on an unaffiliated payment card network?

If the answer to either of the above questions is "Yes," briefly describe the nature of such restrictions in the space below:

[Empty text box for describing restrictions]

YES NO

3. Over the past 10 years, has your organization changed any of its rules, guidelines, policies, interpretations or otherwise with respect to 1. or 2. above?

If "Yes," briefly describe the nature of and reasons for such changes in the space below:

[Empty text box for describing changes]

VII.B.) Does your organization currently enter into contracts with individual issuers in your payment card network under which the issuer agrees:

YES NO

1. That any debit cards (whether signature or PIN-based) or prepaid cards issued on the payment card network are exclusively processed on that payment card network (or an affiliated payment card network)?

2. Not to issue any debit cards (whether signature or PIN-based) or prepaid cards that can be processed on an unaffiliated payment card network?

3. To commit to or guarantee a certain volume or dollar threshold of transactions that will be processed on that payment card network (or an affiliated payment network)?

If "Yes," briefly describe the nature of such contracts in the space below:

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YES NO

4. Over the past 10 years, has your organization entered any contracts with issuers in your payment card network with respect to 1., 2., or 3. above?

If "Yes," briefly describe the nature of such contracts in the space below:

Sample Survey
Not Valid for Submission

VII.C.) With respect to individual issuers in your payment card network, does your organization provide incentives based on whether the issuer agrees:

YES NO

- 1. That any debit cards (whether signature or PIN-based) or prepaid cards issued on your payment card network are exclusively processed on your payment card network (or an affiliated payment card network)?
- 2. Not to issue any debit cards (whether signature or PIN-based) or prepaid cards that can be processed on an unaffiliated payment card network?
- 3. To commit to or guarantee a certain volume or dollar threshold of transactions that will be processed on your payment card network (or an affiliated payment network)?

<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	<input type="checkbox"/>

If "Yes," mark all incentives your organization provides:

- a. Higher interchange fees
- b. Lower network fees
- c. More favorable terms (briefly describe in the space below)
- d. Other (briefly describe in the space below)

<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>
<input type="checkbox"/>

Sample Survey
Not Valid for Submission

VII.D.) Does your organization currently have any rules, guidelines, policies, interpretations, or otherwise (including volume or dollar threshold requirements) that direct or set priorities regarding how a person that accepts debit cards (or their merchant acquirer or processor) or prepaid cards must route an electronic debit transaction when multiple payment card networks, including your own, are available to process that particular transaction?

YES NO

If "Yes," briefly describe the nature of such restrictions in the space below:

Over the past 10 years, has your organization changed any of its rules, guidelines, policies, interpretations or otherwise with respect to the question above?

YES NO

If "Yes," briefly describe the nature of and reasons for such changes in the space below:

VII.E.) Does your organization currently enter into contracts with merchant acquirers or processors that direct the merchant acquirer or processor to route a transaction over your payment card network when multiple payment card networks, including your own, are available to process that transaction or to otherwise set routing preferences for your payment card network?

YES NO

If "Yes," briefly describe such contracts in the space provided below:

4. Over the past 10 years, has your organization entered any contracts with merchant acquirers or processors with respect to the question above?

YES NO

If "Yes," briefly describe the nature of such contracts in the space below:

VII.F.) Does your organization currently provide incentives to merchant acquirers or processors to encourage the merchant acquirer or processor to route a transaction over your payment card network when multiple payment card networks, including your own, are available to process that transaction or to otherwise set routing preferences for your payment card network?

YES NO

If "Yes," mark all incentives your organization provides:

a. Lower network fees

b. More favorable terms (briefly describe in the space below)

c. Other (briefly describe in the space below)

Sample Survey
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