

Each of the revised policy statements has been approved by the Board of Directors of the Corporation. They are effective upon the date of the Board of Directors' action.

Dated: December 15, 2011.

**Dale L. Aultman,**

*Secretary, Farm Credit System Insurance Corporation Board.*

[FR Doc. 2011-32723 Filed 12-20-11; 8:45 am]

**BILLING CODE 6710-01-P**

**FEDERAL COMMUNICATIONS COMMISSION**

**Sunshine Act Meeting; Deletion of Agenda Item From December 13, 2011 Open Meeting**

December 12, 2011.

The following item has been deleted from the list of Agenda items scheduled for consideration at the Tuesday, December 13, 2011, Open Meeting and

previously listed in the Commission's Notice of December 6, 2011. This item has been adopted by the Commission.

Item No.	Bureau	Subject
2	International .....	<p><i>Title:</i> Third Report and Analysis of Competitive Market Conditions with Respect to Domestic and International Satellite Communications Services (IB Docket No. 09-16) and Report and Analysis of Competitive Market Conditions with Respect to Domestic and International Satellite Communications Services (IB Docket No. 10-99)</p> <p><i>Summary:</i> The Commission will consider the Third Report to the U.S. Congress on the status of competition in domestic and international satellite communications services as required by Section 703 of the Communications Satellite Act of 1962, as amended. The Report covers calendar years 2008, 2009 and 2010.</p>

Federal Communications Commission.

**Bulah P. Wheeler,**

*Deputy Manager, Office of the Secretary, Office of Managing Director.*

[FR Doc. 2011-32787 Filed 12-19-11; 4:15 pm]

**BILLING CODE 6712-01-P**

*Agreement No.:* 011960-007.  
*Title:* The New World Alliance Agreement.

*Parties:* American President Lines, Ltd.; APL Co. Pte, Ltd.; Hyundai Merchant Marine Co., Ltd.; and Mitsui O.S.K. Lines, Ltd. ("MOL").

*Filing Parties:* Robert B. Yoshitomi, Esq., Nixon Peabody LLP, 555 West Fifth Street, 46th Floor, Los Angeles, CA 90013; Eric Jeffrey, Esq., Goodwin Proctor LLP, 901 New York Ave. NW., Washington, DC 20001; and David F. Smith, Esq., Cozen O'Connor, 1627 I Street NW., Washington, DC 20006.

*Synopsis:* The amendment removes historical references to sub-charters previously contained in the agreement and amends the agreement to authorize sub-charters based solely on the written consent of the other parties.

Dated: December 16, 2011.

By Order of the Federal Maritime Commission.

**Karen V. Gregory,**  
*Secretary.*

[FR Doc. 2011-32633 Filed 12-20-11; 8:45 am]

**BILLING CODE 6730-01-P**

**FEDERAL MARITIME COMMISSION**

**Notice of Agreements Filed**

The Commission hereby gives notice of the filing of the following agreements under the Shipping Act of 1984.

Interested parties may submit comments on the agreements to the Secretary, Federal Maritime Commission, Washington, DC 20573, within ten days of the date this notice appears in the **Federal Register**. Copies of the agreements are available through the Commission's Web site ([www.fmc.gov](http://www.fmc.gov)) or by contacting the Office of Agreements at (202) 523-5793 or [tradeanalysis@fmc.gov](mailto:tradeanalysis@fmc.gov).

*Agreement No.:* 011953-011.

*Title:* Florida Shipowners Group Agreement.

*Parties:* The member lines of the Caribbean Shipowners Association and the Florida-Bahamas Shipowners and Operators Association.

*Filing Party:* Wayne Rohde, Esq.; Cozen O'Connor; 1627 I Street NW.; Suite 1100; Washington, DC 20006.

*Synopsis:* The amendment revises the way the parties may change the formula for assessment of expenses and removes Florida-Bahamas Shipowners and Operators Agreement as a party effective December 31, 2011.

authority, per 5 CFR 1320.16 (OMB Regulations on Controlling Paperwork Burdens on the Public). Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statements and approved collection of information instrument(s) are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

**FOR FURTHER INFORMATION CONTACT:**

Jennifer Williams, Senior Financial Services Analyst (202) 452-2446, Division of Reserve Bank Operations and Payment Systems, Board of Governors of the Federal Reserve System, Washington, DC 20551, for FR 3063a or b (government-administered, general-use prepaid cards).

Edith Collis, Senior Financial Services Analyst (202) 452-3638, Division of Reserve Bank Operations and Payment Systems, Board of Governors of the Federal Reserve System, Washington, DC 20551, for FR 3064a (debit card issuers).

Linda Healey, Senior Financial Services Analyst (202) 452-5274, Division of Reserve Bank Operations and Payment Systems, Board of Governors of the Federal Reserve System, Washington, DC 20551, for FR 3064b (payment card networks).

**FEDERAL RESERVE SYSTEM**

**Agency Information Collection Activities: Announcement of Board Approval Under Delegated Authority and Submission to OMB**

**SUMMARY:** Notice is hereby given of the final approval of four proposed information collections by the Board of Governors of the Federal Reserve System (Board) under OMB delegated

Federal Reserve Board Clearance Officer—Cynthia Ayouch—Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202) 452–3829 Telecommunications Device for the Deaf (TDD) users may contact (202) 263–4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

OMB Desk Officer—Shagufta Ahmed—Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street NW., Washington, DC 20503.

*Final approval under OMB delegated authority of the implementation of the following information collections:*

1. *Report title:* Government-administered, General-use Prepaid Card Surveys.<sup>1</sup>

*Agency form number:* FR 3063a and FR 3063b.

*OMB control number:* 7100—to be assigned.

*Frequency:* Annual.

*Reporters:* Issuers of government-administered, general-use prepaid cards (FR 3063a) and governments that administer general-use prepaid cards (FR 3063b).

*Estimated annual reporting hours:* FR 3063a: 1,000 hours; FR 3063b: 900 hours.

*Estimated average hours per response:* FR 3063a: 50 hours; FR 3063b: 15 hours.

*Number of respondents:* FR 3063a: 20; FR 3063b: 60.

*General description of report:* These information collections are authorized by section 920(a) of the Electronic Fund Transfer Act (EFTA), which was added by section 1075(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act). 15 U.S.C. 1693o–2. EFTA Section 920(a) requires the Board to submit an annual report to the Congress on the prevalence of the use of general-use prepaid cards in federal, state, and local government-administered payment programs, and the interchange transaction fees and card-holder fees charged with respect to the use of such general-use prepaid cards. 15 U.S.C. 1693o–2(a)(7)(D). EFTA Section 920(a) also provides the Board with authority to require issuers to provide information to enable the Board to carry out the provisions of EFTA Section 920(a). 15 U.S.C. 1693o–2(a)(3)(B).

The obligation of issuers to respond to the issuer survey (FR 3063a) is

mandatory. Some of the data collected by FR 3063a may be kept confidential under exemption (b)(4) of the Freedom of Information Act (FOIA), which exempts from disclosure “trade secrets and commercial or financial information obtained from a person and privileged or confidential.” 5 U.S.C. 552(b)(4). Information collected under FR 3063a can be kept confidential under exemption (b)(4) if the release of data would cause substantial harm to the competitive position of the issuer.

The obligation of government agencies to respond to the government survey (FR 3063b) is voluntary. The Board anticipates that all of the information collected by FR 3063b will be publicly available and would not be given confidential treatment.

*Abstract:* Section 920 of the EFTA provides that the Board shall provide annually a report to the Congress regarding the prevalence of the use of general-use prepaid cards in federal, state, and local government-administered payment programs, and the interchange and cardholder fees charged with respect to this use. Section 920(a) also provides the Board with authority to require card issuers to respond to information requests as may be necessary to carry out the provisions of the section.

*Current Actions:* On September 6, 2011, the Board approved a proposal to seek comment on these surveys. Notice of the proposed action was published in the **Federal Register** on September 15, 2011; the comment period ended on November 14, 2011.<sup>2</sup> The Board received eleven comments in total addressing the proposed information collections. The comments are summarized and addressed below.

2. *Report title:* Interchange Transaction Fees Surveys.<sup>3</sup>

*Agency form number:* FR 3064a and FR 3064b.

*OMB control number:* 7100—to be assigned.

*Frequency:* FR 3064a—Biennial; FR 3064b—Annual.

*Reporters:* Issuers of debit cards (FR 3064a) and payment card networks (FR 3064b).

*Estimated annual reporting hours:* FR 3064a: 92,800 hours; FR 3064b: 1,275 hours.

*Estimated average hours per response:* FR 3064a: 160 hours; FR 3064b: 75 hours.

*Number of respondents:* FR 3064a: 580; FR 3064b: 17.

*General description of report:* These information collections are authorized by section 920(a) of the EFTA, which was added by section 1075(a) of the Dodd-Frank Act. 15 U.S.C. 1693o–2. This section requires the Board to disclose aggregate or summary information concerning the costs incurred and interchange transactions fees charged or received, by issuers or payment card networks in connection with the authorization, clearance, or settlement of electronic debit transactions as the Board considers appropriate and in the public interest. 15 U.S.C. 1693o–2(a)(3)(B). It also provides the Board with authority to require issuers (or agents of issuers) and payment card networks to provide information to enable the Board to carry out the provisions of the section.

The obligation to respond to these surveys is mandatory. In accordance with the statutory requirement, the Board will release aggregate or summary information from the survey responses. Some of the data collected by the surveys may be kept confidential under exemption (b)(4) of the FOIA, which exempts from disclosure “trade secrets and commercial or financial information obtained from a person and privileged or confidential.” 5 U.S.C. § 552(b)(4). Information collected under the surveys can be kept confidential under exemption (b)(4) if the release of data would cause substantial harm to the competitive position of the respondent.

*Abstract:* Section 920(a)(3) of the EFTA provides that the Board shall at least on a biennial basis disclose aggregate or summary information concerning the costs incurred, and interchange transaction fees charged or received, by issuers or payment card networks in connection with debit card transactions. 15 U.S.C. 1693o–2(a)(3)(B). When the Board adopted Regulation II setting debit card interchange fee standards, the Board’s rulemaking stated that information would be gathered from payment card networks annually regarding interchange fees that are received by covered and exempt issuers.<sup>4</sup>

*Current Actions:* On September 6, 2011, the Board approved a proposal to seek comment on these surveys. Notice of the proposed action was published in the **Federal Register** on September 15, 2011; the comment period ended on November 14, 2011.<sup>5</sup> The Board

<sup>2</sup> 76 FR 57037.

<sup>3</sup> The debit card issuer and payment card network surveys, supporting statement, and other documentation are available on the Board’s public Web site at: <http://www.federalreserve.gov/boarddocs/reportforms/review.cfm>.

<sup>4</sup> Regulation II—Debit Card Interchange Fees and Routing (76 FR 43394 (July 20, 2011)).

<sup>5</sup> 76 FR 57037.

<sup>1</sup> The issuer and government surveys, supporting statement, and other documentation are available on the Board’s public Web site at: <http://www.federalreserve.gov/boarddocs/reportforms/review.cfm>.

received eleven comments in total addressing the proposed information collections. The comments are summarized and addressed below.

### Summary Discussion of Public Comments and Responses

The Board received comments from three financial institutions, two banking industry trade associations, a joint letter from eight banking industry associations (including the two associations that responded separately), three payment card networks, one merchant, and one merchant trade association. Some of the commenters' responses were applicable to all four surveys. These comments addressed the clarity of the instructions for the survey instruments, the confidentiality of survey data, the follow-up process, and the survey timeframes.

Most commenters stated that certain aspects of the survey instructions lacked sufficient clarity to allow for consistent responses and meaningful aggregation. For example, for the proposed debit card issuer survey (FR 3064a), three commenters stated that more precise definitions and examples were needed to determine what costs were included and excluded from "authorization, clearance, and settlement costs." In a few instances, the commenters provided examples of how to improve the clarity and precision of the data requested or definitions provided. The Board has taken steps to address the specific examples cited and has provided improved and expanded instructions, definitions, and examples throughout the surveys.

Two commenters expressed concern regarding the confidentiality of survey data stating that, if released, individual issuer and payment card information collected through these surveys would cause substantial harm to the competitive position of the survey respondent. As proposed, the Board will report all of the survey data on an aggregate or summary basis. Individual institution data would be exempt from disclosure under exemption (b)(4) of the FOIA, which exempts from disclosure "trade secrets and commercial or financial information obtained from a person and privileged or confidential." 5 U.S.C. 552(b)(4).

Several commenters requested that the Board provide a follow-up process between the survey respondents and the Board improve the quality of the data received and increase the consistency of responses. One commenter cited the need for a formal approach to answering respondent questions and conducting follow-up interviews with respondents after survey responses are submitted.

Three commenters stated the need for a post-survey reconciliation process to understand better potential inconsistencies across responses. The Board concurs with these comments and has decided to take the following steps. Each survey provides contact information for the Board to answer respondent questions during the completion period. The Board, as appropriate, may use that correspondence to create frequently asked questions (FAQs). The Board will also compare responses for completeness and consistency and, as needed, follow up with respondents to reconcile responses that seem inconsistent or in error.

Several commenters responded to the Board's request for comment on whether the proposed timeframes for submission allow sufficient time for respondents to complete the surveys. Five commenters recommended all four surveys be administered simultaneously in mid-February with a 60-day completion period to allow ample time for internal review before the surveys are submitted to the Board.<sup>6</sup> The Board has decided to adopt this approach for three of the four surveys: the debit card issuer survey (FR 3064a), and both government-administered prepaid card surveys (FR 3063a and b). Because the payment card network survey (FR 3064b) contains information necessary to evaluate the effectiveness of the small issuer exemption in Regulation II and assist small issuers in selecting payment card networks, the Board is targeting spring 2012 for publishing the payment card network survey results.<sup>7</sup> To meet this schedule for the release of payment card network data, the Board will release the payment card network survey to respondents in early February 2012. The Board has decided to extend the completion period from the proposed 30 days to 45 days.<sup>8</sup>

The subsequent sections of this notice address additional comments on and proposed modifications to specific

<sup>6</sup> The Board proposed to distribute the payment card network survey by mid-January 2012 and the debit card issuer survey and both government-administered prepaid card surveys by mid-February 2012.

<sup>7</sup> In announcing the final rule, the Board committed to publish annually on its Web site information regarding the average interchange fees received by exempt issuers and covered issuers in each payment card network; this information may assist exempt issuers in determining the networks in which they wish to participate. The Board did not commit to a timeframe for publishing this information.

<sup>8</sup> Future surveys will be made available to respondents by early February of the respective years and would request return of the payment card network survey within 45 days and the other three surveys within 60 days.

surveys. In addition, over time, the Board will continue to clarify the surveys as appropriate.

### Detailed Discussion of Public Comments and Response

#### *Government-Administered, General-Use Prepaid Card Issuer Survey (FR 3063a)*

#### General Comments

The Board received several overarching comments on the government-administered, general-use prepaid card issuer survey. One commenter suggested that information be collected with respect to costs associated with government-administered payment programs. Section 920(a)(7)(D) of the EFTA directs the Board to report to the Congress on the prevalence of the use of general-use prepaid cards in federal, state, and local government-administered payment programs and the interchange transaction fees and cardholder fees charged with respect to the use of such general-use prepaid cards. Therefore, the Board believes that the collection of data regarding issuer costs is outside the scope of information required to be reported to the Congress and has decided not to expand the survey to include such costs.

Two commenters asserted that providing individual responses for individual government programs, particularly smaller programs, would be a significant burden for issuers because individual programs may not be separated on issuers' internal systems. For example, one commenter asserted that issuers may settle government-program transactions on a consolidated basis and may not know the individual fees associated with individual cards because they do not know the terms of the contractual relationship between the government entity and the third-party administrator. Therefore, in order to respond to certain portions of the survey, the issuer would have to obtain the responsive data from either the third-party administrator or the government entity for which it is issuing cards. Further, with respect to smaller programs, one of these two commenters suggested that the Board mitigate this burden by creating a *de minimis* threshold for reporting. The Board considered this suggestion but has decided not to establish such a threshold because such information would be useful in providing an overview of the prevalence of general-use prepaid cards among different programs. The Board recognizes that issuers may not be able to report information at an individual program level. Nevertheless, the Board will

require issuers to report at the individual program level to the extent issuers are able to do so. In addition, the Board will reach out to individual government agencies, as needed, to help facilitate the release of program-specific information on a voluntary basis.

Lastly, the Board specifically requested comment on whether there are issuers that are not depository institutions, and if so, whether the depository institution holding the insured deposits underlying the cards should be required to report on behalf of those issuers. The Board received no responses to this request. The Board has decided to implement the planned respondent list as proposed but will survey non-depository institution issuers of government-administered, general-use prepaid cards if and when any are identified.

#### Section-by-Section analysis

##### I. Respondent Information

The Board proposed to have respondents provide the name of the card issuer covered in the response as well as the contact person(s) name, survey section for which they are responsible, email, and phone number. The Board received no comments on this section. This section will be implemented as proposed with clarifying changes as appropriate.

##### II. Card Program Information

The Board proposed to have respondents report summary information on card programs covered in the response, whether the response covers federal, state, or local programs, jurisdiction, sponsoring government agency/agencies, a description of payment type, recipients receiving payments on prepaid cards, and recipients receiving payments by all payment methods.<sup>9</sup> One commenter suggested requiring reporting by state rather than by card program. The Board believes that reporting data by card program is more consistent with the requirements of the EFTA. To the extent possible, issuers are to report at the individual program level. If unable to report program-level information, respondents should report aggregate program information.

In addition, the Board specifically requested comment on the ability of issuers to provide the total number of recipients receiving payments, regardless of payment method. One

<sup>9</sup>Jurisdiction refers to the geographic area in which government-administered, general-use prepaid cards have been issued (*i.e.*, nationally, particular state(s), county/counties, municipality/municipalities).

commenter asserted that issuers are often not in the best position to provide data on the different payment methods used to disburse benefits under a particular government-administered payment program. The Board considered this comment and concluded that questions requesting data on the total number of recipients in a government-administered program will be excluded from the survey. These data may be best obtained from the government entity administering the particular payment program.

Another commenter suggested that the Board provide a method for specifying how government-administered payment programs count recipients, such as households or individuals. The Board agrees that given the varying nature of government-administered payment programs (for instance, unemployment assistance, the Supplemental Nutrition Assistance Program (SNAP), and other miscellaneous programs), it is appropriate to expand the survey to allow respondents to specify the method by which they count recipients.<sup>10</sup> Thus, the Board has decided to amend the survey as suggested.

##### III. Government-Administered Prepaid Cards

The Board proposed to have respondents report summary information on the number of cards outstanding, and the allocation of cards outstanding between cards that can be used on both dual-message (signature) and single-message (PIN) networks, cards that can be used on dual-message (signature) networks, and cards that can be used on single-message (PIN) networks. The Board received no comments on this section. This section will be implemented as proposed with clarifying changes as appropriate.

##### IV. Funding

The Board proposed to have respondents report the value of funds loaded into prepaid card accounts, funds outstanding on prepaid card accounts, and all funds paid by all payment methods. The Board specifically requested comment on whether any funding patterns during the

<sup>10</sup>Sections 1075(b)–(d) of the Dodd-Frank Act amended the Food and Nutrition Act of 2008, the Farm Security and Rural Investment Act of 2002, and the Child Nutrition Act of 1966 to specify that EFTA Section 920 does not apply to certain electronic benefit transfer or other reimbursement systems under those acts. The Board believes that the government programs under those acts use general-use prepaid cards that are relevant to the report to the Congress required under Section 920(a)(7)(D). The Board will expand the survey to collect this information.

month may change significantly an issuer's response depending on the as-of date requested (*e.g.*, the end of the month as proposed). The Board received no comments on this question and only one comment on the section related to all funds paid by all payment methods, which is discussed earlier in Section II. The Board will implement the section as proposed except with conforming changes to address this comment and other clarifying changes as appropriate.

##### V. ATM Transactions

The Board proposed to have respondents report summary information on the number of cards outstanding at year-end that can be used to make ATM cash withdrawals, the volume and value of ATM cash withdrawals, and the ATM fees charged for withdrawals by ATM operators at nonproprietary ATMs. The Board received no comments on this section. This section will be implemented as proposed with clarifying changes as appropriate.

##### VI. Purchase Transactions

The Board proposed to have respondents report summary information on the volume and value of settled purchase transactions and the volume and value of settled purchase transactions by authentication method. The Board received no comments on this section. This section will be implemented as proposed with clarifying changes as appropriate.

##### VII. Interchange Fees

The Board proposed to have respondents report interchange fee revenues received on settled purchase transactions and the allocation of the interchange fee revenues received on settled purchase transactions for dual-message (signature) transactions and single-message (PIN) transactions. The Board received no comments on this section. This section will be implemented as proposed with clarifying changes as appropriate.

##### VIII. Fees Paid by Issuers

The Board proposed to have respondents report the fees paid on ATM cash withdrawals and the fees paid on over-the-counter at-bank (teller) cash withdrawals. The Board specifically requested comment on whether fees paid for over-the-counter at-bank (teller) cash withdrawals should be included in the survey. The Board received no comments on this section. This section will be implemented as proposed with clarifying changes as appropriate.

## IX. Revenues From Cardholder Fees

The Board proposed to have respondents report total revenues received on all fees charged to cardholders and the allocation of all fees charged to cardholders between routine purchase transaction fees, monthly fees, balance inquiry fees, ATM fees, over-the-counter at-bank (teller) fees, account servicing fees, penalty fees, and all other fees. The Board received no comments on this section. This section will be implemented as proposed with clarifying changes as appropriate.

## X. Fees Assessed to Cardholders

The Board proposed to have respondents provide summary information on fees assessed to cardholders, including routine purchase transaction fees, monthly fees, balance inquiry fees, ATM fees charged to cardholders, over-the-counter at-bank (teller) fees, account servicing fees, penalty fees, and all other fees. One commenter was concerned that requesting a “minimum transaction fee” and a “maximum transaction fee” in dollars would create ambiguity as to how issuers should respond in this section. The commenter suggested that additional clarity was needed to understand whether respondents should report at the program level or at the transaction level. The commenter also recommended the Board provide additional guidance on how to respond with regard to minimum and maximum transaction fees for programs with differing fee structures. Another commenter suggested that government-imposed requirements with regard to fees would likely skew the results of the survey. The Board has decided to expand the section to allow respondents to provide an explanation of fees assessed to cardholders and add questions requesting information about government-imposed fee requirements.

### *Government-Administered, General-Use Prepaid Card Government Survey (FR 3063b)*

The Board proposed to have respondents provide respondent information, program information, the number of cards, and the value of funding. The Board received no comments on this survey. The FR 3063b survey will be implemented as proposed with clarifying changes as appropriate.

### *Interchange Transaction Fees Surveys (FR 3064a and b)*

#### General Comments

The Board asked specific questions and commenters provided several comments that were relevant to both the

debit card issuer survey (FR 3064a) and the payment card network survey (FR 3064b). These topics included removing the questions requesting data on incentive payments paid by networks to issuers, the use of the terms “single-message” and “dual-message” versus “signature” and “PIN,” whether to include general-use prepaid card data with signature and PIN transactions or request prepaid card data separately, and the reporting burden to complete the survey.

Most commenters stated that the surveys should not collect information on payments and incentives paid by networks to issuers. Commenters believed that the instructions were too vague and the information requested was too institution-specific to allow for valid aggregation of data. In addition, commenters believed that reporting even aggregated data would compromise confidentiality. Further, commenters believed that the enforcement of possible circumvention or evasion regarding Regulation II was within the purview of the regulators given supervisory authority over the specific institutions. Thus, the commenters considered a more productive approach would be to include this information in the context of an individual bank examination rather than a more general survey. The Board understands the issues raised for individual institutions, but believes this information collected at the network level would provide useful context to the data collected on network fees assessed on issuers and acquirers. To address commenter concerns, the Board will not request in the debit card issuer survey (FR 3064a) information on payments and incentives received from networks. However, information on payments and incentives will be included on the payment card network survey (FR 3064b), but in less detail than originally proposed. Specifically, network respondents will be asked to allocate payments and incentives paid to acquirers and merchants and those paid to issuers, but not based on the type of incentives.

In addition, in response to the Board’s request for comment on the best terms to use in identifying types of authentication mechanisms (single-message and dual-message versus PIN and signature), two commenters responded that the PIN and signature terminology is sufficient for the surveys because these terms are generally understood in the industry. The Board considered these comments, however, for clarity purposes has decided to retain the single- and dual-message terminology and the PIN and signature terminology in the surveys as proposed.

The Board requested comment on whether issuers should report general-use prepaid card data combined with other transaction data related to single- or dual-message systems (and if so, whether they would be able to do so) or should report general-use prepaid card activity separately. Three commenters stated that general-use prepaid card information should be reported separately because the commenters also believed there were significant enough differences in authorization, clearance, and settlement costs between the programs to support gathering the data separately. The commenters stated that prepaid card programs are usually separate from debit card programs within an issuer’s organization and so reporting them separately would not impose a significant burden. The Board believes that separately reporting data will provide more accurate reporting of costs associated with the authorization, clearance, and settlement of both debit cards and prepaid cards. Thus, the Board has decided to add a new section (Section V) to the debit card issuer survey (FR 3064a) for the collection of data similar to Section II for general-use prepaid cards. A similar question was asked in regard to the payment card network survey (FR 3064b), however, the Board did not receive any comments and will implement the payment card network survey as proposed.

Three commenters noted that their estimates of the time required to complete the surveys were longer than the Board’s estimate of 80 hours, on average, for the debit card issuer survey and 25 hours, on average, for the payment card network survey. Based on the estimates received from commenters, the Board has decided to increase the estimate for the debit card issuer survey (FR 3064a) to 160 hours, and the estimate for the payment card network survey (FR 3064b) to 75 hours.

### *Debit Card Issuer Survey (FR 3064a)*

#### *Section-by-Section Analysis*

##### I. Respondent Information

The Board proposed to ask respondents to provide the name of the entity covered in the response and the contact person(s) name, section of the survey for which they are responsible, email, and phone number. Respondents also would report whether general-use prepaid cards are issued.

The Board requested specific comment regarding the feasibility of requiring each chartered entity that issues debit cards to complete a separate survey rather than completing one survey for all chartered entities in the bank holding company. One commenter

responded that reporting at the charter level was feasible and appropriate. Two other commenters, however, stated that the process would be more efficient and less burdensome to report at the bank holding company level. The Board considered these comments and has decided to collect these data at the bank holding company level to help reduce respondent burden. The Board, however, will allow issuers to respond at the charter level.

The Board also received several comments suggesting that the Board survey parties other than large issuers and payment card networks, as proposed. Four commenters suggested that exempt issuers (those with less than \$10 billion in assets) should be allowed to participate voluntarily in the issuer survey because they believe that the capped debit card interchange rate will ultimately become the default rate for all card issuers.<sup>11</sup> Two commenters stated that the Board should survey merchants on fraud losses, fraud prevention, and data security to ensure that the costs of fraud and fraud prevention to all parties were accounted for and calculated. The Board believes that most exempt issuers and merchants would find it burdensome to complete the survey. In addition, comparisons of survey results from mandatory and voluntary respondents could be misleading because voluntary participants may not represent fully the broad population of small issuers and merchants. Further, there are other channels, such as certain questions contained in the payment card network survey (FR 3064b), to provide information on the effect of Regulation II on small issuers.

## II. All Debit Card Transactions (Including General-Use Prepaid Card Transactions)

The Board proposed to ask respondents to report summary information for debit card (including general-use prepaid card) transaction volume and value, chargebacks to acquirers, costs of authorization, clearance, and settlement, payments and incentives paid by networks to issuers, costs for fraud prevention and data security, interchange fee revenue, fraudulent transactions, and fraud losses.

<sup>11</sup> Section 235.8(b) of the Board's Regulation II requires that issuers covered by the interchange fee standards in Regulation II file reports with the Board. See <http://www.federalreserve.gov/paymentsystems/debitfees.htm> for a list of institutions that are known to be non-exempt as of December 31, 2010. This is not a complete list, as the Board had incomplete information to determine the exemption status of some institutions that may issue debit cards.

One commenter expressed support for limiting the costs collected to those related to authorization, clearance, and settlement. Five commenters, however, asserted that the set of costs should be expanded to all debit card costs to provide the Board a more comprehensive accounting of debit card program costs and put authorization, clearance, and settlement costs into context. The Board requested comment on the issuers' ability to report the subset of customer service costs associated with customer inquiries regarding particular debit card transactions (as opposed to customer inquiries regarding the account, the debit card generally, or credit cards/ATM cards). One commenter noted that most issuers track customer inquiries by type and have reporting systems in place to report at this level of detail. Thus, the commenter believed that the costs of handling cardholder inquiries should be included. The Board considered these comments and has decided to keep the set of data collected as proposed, with the exception of adding a few questions related to costs specific to particular debit card transactions, including cardholder inquiries. Inclusion of such costs can help put some context around authorization, clearance, and settlement costs without overly expanding the survey. Although under the framework established by EFTA Section 920(a)(4)(B), costs specific to a particular debit transaction *may* be considered in the determination of costs included in the setting of the interchange fee standard, inclusion of these costs in the survey does not imply that the Board will change its determination of allowable costs.

Three commenters noted that respondents might use different methodologies when asked to allocate shared costs between categories and not necessarily based on the number of transactions as required by the surveys. One commenter, however, stated that a consistent methodology is important for a comparison across respondents. The Board recognizes that there are several allocation methodologies that could be reasonably used to distribute costs, however, also recognizes the importance of having a standard way of reporting these costs across respondents. Thus, the Board will direct issuers to follow the allocation methodology specified in relevant questions in the survey.

Additionally, several commenters expressed concern that the surveys lacked a reconciliation of the U.S. Generally Accepted Accounting Principles (GAAP) and the International Financial Reporting Standards (IFRS)

for capital expenditures associated with authorization, clearance, and settlement. The Board considered these comments and has decided to allow respondents to use either GAAP or IFRS to report costs that are depreciated or amortized during 2011. The Board recognizes that even if issuers follow the same set of accounting standards, they may use different underlying assumptions, such as the useful life for equipment and software, thus inevitably introducing a degree of variability between issuers. Because issuer-to-issuer variability is inherent within either set of accounting standards, the Board believes that no substantial benefit would be derived by requiring the reporting based on a specific set of standards that may not be used by the issuer in other reporting contexts.

The Board requested comment regarding the usefulness of including a list of fraud prevention activities and, if so, which fraud prevention activities should be included for the survey. Five commenters responded to the question. All commenters thought the idea of a list was useful, but some raised concerns over the clarity of definitions, the need to remain flexible and open to new technologies, and the need for a non-exhaustive list. The list is not meant to be exhaustive but rather to assess the prevalence of what the Board understands to be common fraud prevention activities. The inclusion of the "other" category on the list and the accompanying textbox was meant to elicit from survey respondents additional categories of fraud prevention activities. The Board will assess the information provided and update the list periodically to reflect new fraud prevention activities as appropriate.

## III. All Single-Message (PIN) Debit Card Transactions (Including General-Use Prepaid Card Transactions)

The Board proposed to ask respondents to submit data for the same set of questions asked in Section II, but specifically about single-message debit card programs, including general-use prepaid cards. In light of the addition of Section V on general-use prepaid cards, as discussed earlier, the Board will exclude general-use prepaid card transactions from this section.

## IV. All Dual-Message (Signature) Debit Card Transactions (Including General-Use Prepaid Card Transactions)

The Board proposed to ask respondents to submit data for the same set of questions asked in Section II, but specifically about dual-message debit card programs, including general-use

prepaid cards. In light of the addition of Section V on general-use prepaid cards, as discussed earlier, the Board will exclude general-use prepaid card transactions from this section.

*Payment Card Network Survey (FR 3064b)*

### Section-by-Section Analysis

#### I. Respondent Information

The Board proposed to ask respondents to provide the network covered in this response and the contact person(s) name, section of the survey for which they are responsible, email, and phone number. Respondents also would report whether the payment card network is a single-message (PIN) or dual-message (signature) network, and whether the payment card network offers a tiered interchange fee rate schedule that differentiates between exempt issuers and non-exempt issuers, and the number of merchant locations. The Board received no comments on this section. This section will be implemented as proposed with clarifying changes as appropriate.

#### II. Debit Card Transactions (Including General-Use Prepaid Card Transactions)

The Board proposed to ask respondents to report the volume and value of settled purchase transactions; as well as information related to card-present versus card-not-present transactions; general-use prepaid card versus non-general-use prepaid card transactions; general-use prepaid card transactions exempt from the interchange fee standards in Regulation II versus general-use prepaid card transactions that are not exempt; transactions processed for small issuers that are exempt from the interchange fee standards versus those processed for non-exempt issuers; pre- and post-effective date transactions processed for exempt and non-exempt debit card issuers; chargebacks and returns to merchants; the value of interchange fees; the value of network fees; and payments and incentives paid by networks to acquirers, merchants, and issuers.

The Board requested comment on whether the networks can provide data for exempt and non-exempt issuers that compares information for three time periods: January 1 to June 30, 2011 (during which all transactions would be considered exempt); July 1 to September 30, 2011 (during which some networks may have begun to distinguish between exempt and non-exempt issuers, if such networks are offering a tiered interchange fee schedule); and October 1 to December 31, 2011 (during which

all networks that provide a tiered interchange fee schedule would distinguish between exempt and non-exempt issuers). Four commenters stated that the data should be collected only for two time periods, pre-and post-October 1, 2011, in order to assess the effect of Regulation II on the practices of networks in paying and assessing fees. The Board considered the comments and has decided to modify the request to collect data for two time periods: January 1 to September 30, 2011 and October 1 to December 31, 2011.

By order of the Board of Governors of the Federal Reserve System, December 16, 2011.

**Robert deV. Frierson,**

*Deputy Secretary of the Board.*

[FR Doc. 2011-32600 Filed 12-20-11; 8:45 am]

**BILLING CODE 6210-01-P**

### FEDERAL RESERVE SYSTEM

#### Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than January 17, 2012.

A. Federal Reserve Bank of Minneapolis (Jacqueline G. King,

Community Affairs Officer) 90 Hennepin Avenue, Minneapolis, Minnesota 55480-0291:

1. *Faribault FSL Bancorporation, Inc.*, Faribault, Minnesota; to become a bank holding company by acquiring 100 percent of the voting shares of 1st United Bank, Faribault, Minnesota. 1st United Bank, Faribault, Minnesota, intends to convert from a federal savings bank to a Minnesota state-chartered bank.

B. Federal Reserve Bank of San Francisco (Kenneth Binning, Vice President, Applications and Enforcement) 101 Market Street, San Francisco, California 94105-1579:

1. *Private Bancorp of America, Inc.*, La Jolla, California; to become a bank holding company by acquiring 100 percent of the voting shares of San Diego Private Bank, La Jolla, California.

Board of Governors of the Federal Reserve System, December 16, 2011.

**Robert deV. Frierson,**

*Deputy Secretary of the Board.*

[FR Doc. 2011-32624 Filed 12-20-11; 8:45 am]

**BILLING CODE 6210-01-P**

### FEDERAL TRADE COMMISSION

#### Agency Information Collection Activities; Submission for OMB Review; Comment Request

**AGENCY:** Federal Trade Commission (FTC or Commission).

**ACTION:** Notice and request for comment.

**SUMMARY:** In compliance with the Paperwork Reduction Act (PRA) of 1995, the FTC is seeking public comments on its request to OMB for a three-year extension of the current PRA clearance for items (a)-(c) below setting out the information collection requirements pertaining to the Commission's administrative activities. (OMB Control Number 3084-0047). That clearance expires on December 31, 2011.

**DATES:** Comments must be filed by January 20, 2012.

**ADDRESSES:** Interested parties may submit written comments by following the instructions in the Request for Comments part of the **SUPPLEMENTARY INFORMATION** section below. Comments in electronic form should be submitted by using this Web link: <https://ftcpublic.commentworks.com/ftc/adminactivitiespra2>. Comments in paper form should be mailed or delivered to the following address: Federal Trade Commission, Office of the Secretary, Room H-113 (Annex J), 600