

which are published in the monthly statistical releases Finance Companies (G.20) and Consumer Credit (G.19), in the quarterly statistical release Financial Accounts of the United States (Z.1), and in the *Federal Reserve Bulletin* (Tables 1.51, 1.52, and 1.55).

**Current Actions:** On November 6, 2013, the Federal Reserve published a notice in the **Federal Register** (78 FR 66714) requesting public comment for 60 days on the proposal to extend, with revision, the Domestic Finance Company Report of Consolidated Assets and Liabilities. The comment period for this notice expired on January 6, 2014. The Federal Reserve did not receive any comments. The revisions will be implemented as proposed.

Board of Governors of the Federal Reserve System, January 9, 2014.

**Robert deV. Frierson,**

Secretary of the Board.

[FR Doc. 2014-00490 Filed 1-14-14; 8:45 am]

BILLING CODE 6210-01-P

## FEDERAL RESERVE SYSTEM

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

**AGENCY:** Board of Governors of the Federal Reserve System.

**SUMMARY:** Notice is hereby given of the final approval of a proposed information collection by the Board of Governors of the Federal Reserve System (Board) under OMB delegated authority, pursuant to 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 statement 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:

Federal Reserve Board Clearance Officer—Cynthia Ayouch—Office of the Chief Data Officer, 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—Shagufa 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 extension, with revision, of the following information collection:*

*Report title:* Interchange Transaction Fees Surveys.

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

*OMB Control number:* 7100-0344.

*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: 111,600 hours; FR 3064b: 1,350 hours.

*Estimated average hours per response:* FR 3064a: 200 hours; FR 3064b: 75 hours.

*Number of respondents:* FR 3064a: 558; FR 3064b: 18.

*General description of report:* This information collection is authorized by subsection 920(a) of the Electronic Fund Transfer Act, which was amended by section 1075(a) of the Dodd-Frank Act. 15 U.S.C. 1693o-2. This subsection requires the Board to disclose (on a biennial basis) aggregate or summary information concerning the costs incurred, and interchange transaction fees charged or received, by issuers or payment card networks in connection with the authorization, clearance or settlement of electronic debit transaction 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 and payment card networks to provide information to enable the Board to carry out the provisions of the subsection. Response to these surveys is mandatory.

In accordance with the statutory requirement, the Board currently releases aggregate or summary information from the FR 3064b survey responses, and, average interchange fees at the network level. However, as proposed, the Board will release, at the network level, the percentage of total number of transactions, the percentage of total value of transactions, and the average transaction value for exempt and not-exempt issuers obtained on the FR 3064b. The Board has determined to release this information both because it can already be calculated based on the information the Board currently releases

on average interchange fees and because the Board believes the release of such information may be useful to issuers and merchants in choosing payment card networks in which to participate and to policymakers in assessing the effect of Regulation II on the level of interchange fees received by issuers over time. However, the remaining individual issuer and payment card information collected on these surveys will be treated as confidential under exemption (b)(4) of the Freedom of Information Act (FOIA), which protects information that, if released, would cause substantial harm to the competitive position of the survey respondents. 5 U.S.C. 552(b)(4) (exempting from disclosure “trade secrets and commercial or financial information obtained from a person and privileged or confidential”).

*Abstract:* The Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) requires the Board to disclose (on a biennial basis) aggregate or summary information concerning the costs incurred, and interchange transaction fees charged or received, by issuers or payment card networks in connection with the authorization, clearing, or settlement of electronic debit transactions as the Board considers appropriate or in the public interest. The data from these surveys are used in fulfilling that disclosure requirement. In addition, the Board uses data from the payment card network survey (FR 3064b) to publicly report on an annual basis the extent to which networks have established separate interchange fees for exempt and covered issuers.<sup>1</sup> Finally, the Board uses the data from these surveys in determining whether to propose revisions to the interchange fee standards in Regulation II (12 CFR Part 235). The Dodd-Frank Act provides the Board with authority to require debit card issuers and payment card networks to submit information in order to carry out provisions of the Dodd-Frank Act regarding interchange fee standards.

**Current Actions:** On October 18, 2013, the Board published a notice in the **Federal Register** (78 FR 62352) requesting public comment for 60 days on the proposal to extend, with revision, the Interchange Transaction Fees Surveys. The comment period expired on December 17, 2013. The Board received five comment letters regarding the proposed revisions to these surveys. The comments are summarized and addressed below.

<sup>1</sup> Average debit card interchange fee by payment card network, <http://www.federalreserve.gov/paymentsystems/regii-average-interchange-fee.htm>.

## Summary of Public Comments

The Board received comments from one financial institution, one banking industry trade association, a joint letter from eight banking industry associations (including the one association that responded separately), and two payment card networks. Some general comments were received regarding the treatment of confidential data, time schedule, reporting panel, and report format. Commenters also provided input on how to categorize debit card transactions. In addition, one commenter focused on specific data items proposed for collection in the debit card issuer survey. The commenter asked the Board to include additional reporting categories within fixed and variable costs and additional clarification on affiliated processor costs and international fraud losses. The subsequent sections of this notice address the comments on and modifications to specific surveys.

## General Comments

The Board asked specific questions and commenters provided several comments that are relevant to both the debit card issuer survey (FR 3064a) and the payment card network survey (FR 3064b). These topics included the reporting burden to complete the surveys, reporting panel, report format, usefulness of the information collected, and opportunities to enhance the quality, utility, and clarity of the information collected.

One commenter encouraged the Board to allow completion of the surveys on a consolidated basis at the holding company level rather than at the individual affiliate level. The commenter suggested that requiring individual issuer responses, as opposed to holding company-level responses, would be burdensome with little apparent benefit. The survey already requests respondents to provide these data at the bank holding company level to reduce respondent burden. Issuers will continue to have the opportunity to respond at the charter level if needed.

Two commenters suggested that exempt issuers (those with less than \$10 billion in assets) be added to the reporting panel and allowed to participate voluntarily in the debit card issuer survey.<sup>2</sup> The Board does not believe it would be appropriate to include exempt issuer costs in the determination of the interchange fee standard for covered issuers. Moreover,

because some covered issuers have small debit card programs, the Board already collects data on costs of small debit card programs through its survey of covered issuers. 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. For these reasons, the survey will not be expanded to cover exempt issuers.

Two commenters requested that the Board continue to conduct follow-up interviews with respondents after survey responses are submitted to improve the quality of the data received, increase the consistency of responses, and reconcile inconsistencies across responses. The Board will continue the existing follow-up process, which has worked well in improving the quality of the data.

Two commenters requested that respondents be allowed to elaborate on their responses to particular questions. For example, issuers may want to elaborate on any assumptions that they had to use to calculate certain cost items. This flexibility can increase the quality of survey responses and enable the Board to check for consistency across respondents. The surveys currently have comment boxes that can be used for this purpose.

The Board also requested comment on the cost of providing information and feasibility of automating the information collection. The Board did not receive any comments on these questions.

In response to the Board's question on how single-message (PIN) and dual-message (signature) transactions should be categorized, several commenters suggested that the Board should not equate PIN authentication with single-message networks and signature authentication with dual-message networks. One commenter further suggested that the Board collect information solely on the messaging system of the network (single-message or dual-message) without regard to the methods by which transactions processed or routed on that network may be authenticated. The Board agrees with these comments and will continue to categorize debit card transactions by message type and deemphasize the link between message type and authentication method. Further, because a network may be able to process both single-message and dual-message transactions, the Board will clarify Question 3 in Section I of the Payment Card Network Survey to reflect this, and to collect information from the network for each message type.

## Debit Card Issuer Survey (FR 3064a)

### Section-by-Section Analysis

#### Section I: Respondent Information

**Question 3: Do you have a general-use prepaid card program?**—The Board proposed to delete this question because it is redundant given that issuers with general-use prepaid card programs complete Section V. The Board did not receive any comments on this section. This section will be implemented as proposed with clarifying changes as appropriate.

#### Section II: All Debit Card Transactions (Including General-Use Prepaid Card Transactions) and Section V: General-Use Prepaid Card Transactions

**Question 1: General-use prepaid card exemption: Exempt vs. non-exempt general-use prepaid card transactions**—The Board proposed to modify question 1.d by deleting line item 1d.1 (*Volume and Value*), *All general-use prepaid card transactions between January 1 and September 30, 2011*. As the rule went into effect on October 1, 2011, collecting data for this time frame was necessary to compare 2011 data before and after the effective date, but the split time frame is no longer relevant. The Board did not receive any comments on this section. This section will be implemented as proposed and subsequent line items will be renumbered.

#### Section II: All Debit Card Transactions, Section III: All Single-Message (PIN) Debit Card Transactions, Section IV: All Dual-Message (Signature) Debit Card Transactions, and Section V: General-Use Prepaid Card Transactions

**Question 3: Cost of authorization, clearance, and settlement**—The Board proposed to add questions 3e and 3f to break out the fixed and variable cost components for line items 3b.1 *In-house costs* and 3b.2 *Third-party processing fees*, respectively. The Board also proposed adding definitions for variable and fixed costs to the instructions.<sup>3</sup> In addition, the Board proposed to modify the instruction for Question 3 to exclude transaction monitoring costs as part of the costs of authorization, clearance, and settlement. Transaction monitoring costs are reported in *Question 5, Fraud prevention and data security costs, line item 5a.1 Transactions monitoring cost tied to authorization*. One commenter stated that the variable cost/fixed cost

<sup>2</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.

<sup>3</sup> Fixed costs are defined as costs that do not vary with changes in the number or value of transaction over the course of the reporting period (i.e., calendar year 2013 for this application of the survey).

dichotomy is not an appropriate means for identifying incremental authorization, clearance, and settlement costs. The commenter believes that the definition of “costs of authorization, clearance, and settlement” fails to include all costs related to a debit card issuer’s authorization, clearance, and settlement activities. The commenter recommended that the set of costs 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 in context. The commenter provided a list of categories of costs that should be included and recommended that these categories be reported as individual cost items.

Many of the proposed categories of costs are included in various sections in the survey and those that are not included are costs that the Board did not consider as part of the interchange fee standard in Regulation II. Including these additional cost categories and requiring issuers to report at a more detailed level would not significantly enhance the Board’s understanding of the relevant costs for Regulation II and would represent a significant burden to respondents. For these reasons, the set and format of data collected will be implemented as proposed.

One commenter asserted that the treatment of affiliated processor costs at the cost of service to the affiliate processor rather than the cost to the issuer ignores common inter-affiliate cost accounting practices under which the issuer is charged an imputed markup for services provided by the affiliated processor. The commenter asserted that the proposed change would result in issuers that use affiliates for transaction processing services reporting lower cost data than they would have reported had they used an unaffiliated processor. The Board will modify the instructions for Question 3 to allow affiliated processor costs to be reported at the cost to the issuer, provided that the cost to the issuer is determined in a way that is consistent with fees that the affiliated processor would charge to an unaffiliated debit card issuer.

One commenter suggested that international fraud losses be included as part of reported fraud losses. The commenter noted that international fraud losses are a material cost and are tied to domestic debit cards. The Board notes that international fraud losses arise from transactions that are outside the scope of Regulation II. As such, international fraud losses are analogous to ATM fraud losses, which are also not included. For these reasons, the survey

will not be modified to include international fraud losses.

#### General Instructions

The Board proposed to change the timing for conducting the calendar year 2013 survey, making the survey available by February 3, 2014, with responses due by March 17, 2014. Future surveys would revert to the original schedule (mid-February to mid-April). Two commenters recommended a 90-day completion period for the debit card issuer survey to allow ample time for internal review before the surveys are submitted to the Board.<sup>4</sup> Given the potential need to expeditiously adjust the Regulation II interchange fee standard, in the event the Board does not prevail on appeal, the 2014 time frame will remain as proposed; however, the time frame to complete future year surveys will be increased to 90 days.

#### *Payment Card Network Survey (FR 3064b)*

#### Section-by-Section Analysis

##### Section I: Respondent Information

*Is your payment card network a single-message (PIN) or dual-message (signature) network?* The Board requested comment on a payment card network’s ability to process single-message transactions across dual-message networks and vice versa. In addition, the Board requested comment on how such transactions should be categorized. As mentioned above, several commenters suggested that the Board not equate PIN authentication with single-message networks and signature authentication with dual-message networks in either survey. The commenters suggested that the Board collect information solely on the messaging system of the network (single-message or dual-message) without regard to the methods by which transactions processed or routed on that network may be authenticated. The Board concurs and the surveys will continue to categorize debit card transactions as single- or dual-message without the inference that all messages of a given type use the same authentication method. In addition, the survey will collect information from the network for each message type.

<sup>4</sup> To enable the Board to collect and use updated data if necessary to respond quickly to pending litigation regarding Regulation II, the Board proposed to accelerate the schedule for calendar year 2013 survey, making the survey available by February 3, 2014, with responses due by March 17, 2014.

#### Section II: Debit Card Transactions

*Small issuer exemption: Transactions using card of exempt vs. non-exempt issuers—*The Board proposed to revise this section by deleting line item 1e.1 (*Volume and Value, All settled purchase transactions between January 1, 2011–September 30, 2011*), because the timeframe is no longer relevant. The Board did not receive any comments on this section. This section will be implemented as proposed and subsequent line items will be renumbered.

*Transactions using card of exempt vs. non-exempt issuers (January 1, 2011–September 30, 2011)—*The Board proposed to revise this section by deleting line items 1f through 1f.2 as the timeframe is no longer relevant. The Board did not receive any comments on this section. This section will be implemented as proposed and subsequent line items will be renumbered.

*General-use prepaid card exemption: Exempt vs. non-exempt general-use prepaid card transactions and General-use prepaid card exemption:*

*Interchange fees on exempt vs. non-exempt card transactions—*The Board proposed to revise line items 1g and 2i by requiring networks to allocate volume, value, and interchange fee revenue for exempt general-use prepaid card transactions between transactions using prepaid cards issued by exempt (small) issuers (adding line items 1g.1.1 and 2i.1.1) and transactions using prepaid cards issued by non-exempt issuers (adding line items 1g.1.2. and 2i.1.2). Currently, payment card networks are required to allocate volume and value of general-use prepaid card transactions, and associated interchange fee revenue, between exempt and non-exempt general-use prepaid card transactions and interchange fees. Under Regulation II, a general-use prepaid card transaction may be exempt from the interchange fee standards either because the card is issued by an issuer that qualifies for the small issuer exemption or because the card qualifies for the prepaid card exemption, irrespective of the size of the issuer. The proposed break out of these data would allow the Board to determine which type of exemption applies to each exempt transaction, thus improving interpretation of these data. The Board did not receive any comments on this section. This section will be implemented as proposed.

*Small issuer exemption: Interchange fees on transactions using card of exempt vs. non-exempt issuers—*The

Board proposed to revise this section by deleting line items 2g.1, *All interchange fees paid to issuers between January 1, 2011–September 30, 2011*, as these timeframes are no longer relevant. The Board did not receive any comments on this section. This section will be implemented as proposed and subsequent line items will be renumbered.

*Small issuer exemption: Network fees received from exempt vs. non-exempt issuers*—The Board proposed to revise this section by deleting line items 3c.1, *All network fees received from issuers that settled between January 1, 2011–September 30, 2011*, and line items 3d through 3d.2, as these timeframes are no longer relevant. The Board did not receive any comments on this section. This section will be implemented as proposed and subsequent line items will be renumbered.

*Small issuer exemption: Payments and incentives paid to exempt vs. non-exempt issuers*—The Board proposed to revise this section by deleting line items 4c.1, *All payment and incentives paid to issuers between January 1, 2011–September 30, 2011*, and line items 4d through 4d.2, as these timeframes are no longer relevant. The Board did not receive any comments on this section. This section will be implemented as proposed and subsequent line items will be renumbered.

#### General Instructions

*Response Confidentiality and Burden*—The Board proposed to revise the confidentiality statement to indicate that the Board may release some information identified by network by total, or as an average: the percent of total number and value of transactions for exempt and non-exempt issuers; and the average transaction value for exempt, non-exempt, and all issuers. To date, the Board has only published this information in the aggregate across networks. One network commenter expressed concern regarding the confidentiality of survey data, stating that the Board's current justification does not constitute a public policy rationale that justifies the publication of additional non-public and proprietary data. This information can already be approximated at the network level from the information the Board currently releases on the network's average interchange fees. The precise network-specific information may be useful to issuers (both exempt and non-exempt) and merchants in choosing payment card networks in which to participate and to policymakers in assessing the effect of Regulation II on the level of interchange fees received by exempt and

non-exempt issuers over time. For example, the disclosure of the percent of total number and value of transactions for exempt and non-exempt issuers may assist exempt issuers in identifying networks that may have operations focused on those issuers. For these reasons, the revisions to the confidentiality statement will be implemented as proposed.

Board of Governors of the Federal Reserve System, January 9, 2014.

**Robert deV. Frierson,**  
*Secretary of the Board.*

[FR Doc. 2014-00489 Filed 1-14-14; 8:45 am]

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#### FEDERAL TRADE COMMISSION

[File No. 112 3095]

#### GeneLink, Inc.; foru™ International Corporation; Analysis of Proposed Consent Orders To Aid Public Comment

**AGENCY:** Federal Trade Commission.

**ACTION:** Proposed Consent Agreements.

**SUMMARY:** The consent agreements in this matter settle alleged violations of federal law prohibiting unfair or deceptive acts or practices or unfair methods of competition. The attached Analysis of Proposed Consent Orders to Aid Public Comment describes both the allegations in the draft complaints and the terms of the consent orders—embodied in the consent agreements—that would settle these allegations.

**DATES:** Comments must be received on or before February 6, 2014.

**ADDRESSES:** Interested parties may file a comment at <https://ftcpublic.commentworks.com/ftc/genelinkconsent> or <https://ftcpublic.commentworks.com/ftc/forutmconsent> online or on paper, by following the instructions in the Request for Comment part of the

**SUPPLEMENTARY INFORMATION** section below. Write “Genelink, Inc.-Consent Agreement; File No. 112-3095” or “foru™ International Corporation-Consent Agreement; File No. 112-3095” on your comment and file your comment online at <https://ftcpublic.commentworks.com/ftc/genelinkconsent> or <https://ftcpublic.commentworks.com/ftc/forutmconsent> <https://ftcppublic.commentworks.com/ftc/fidelitynationalconsent> by following the instructions on the web-based form. If you prefer to file your comment on paper, mail or deliver your comment to the following address: Federal Trade Commission, Office of the Secretary,

Room H-113 (Annex D), 600 Pennsylvania Avenue NW., Washington, DC 20580.

**FOR FURTHER INFORMATION CONTACT:**

Carolyn Hann, 202-326-2745, Bureau of Consumer Protection, 600 Pennsylvania Avenue NW., Washington, DC 20580.

**SUPPLEMENTARY INFORMATION:** Pursuant to Section 6(f) of the Federal Trade Commission Act, 15 U.S.C. 46(f), and FTC Rule 2.34, 16 CFR § 2.34, notice is hereby given that the above-captioned consent agreements containing consent orders to cease and desist, having been filed with and accepted, subject to final approval, by the Commission, have been placed on the public record for a period of thirty (30) days. The following Analysis to Aid Public Comment describes the terms of the consent agreements, and the allegations in the complaints. An electronic copy of the full text of the consent agreement packages can be obtained from the FTC Home Page (for January 7, 2014), on the World Wide Web, at <http://www.ftc.gov/os/actions.shtm>. A paper copy can be obtained from the FTC Public Reference Room, Room 130-H, 600 Pennsylvania Avenue NW., Washington, DC 20580, either in person or by calling (202) 326-2222.

You can file a comment online or on paper. For the Commission to consider your comment, we must receive it on or before February 6, 2014. Write “Genelink, Inc.-Consent Agreement; File No. 112-3095” or “foru™ International Corporation-Consent Agreement; File No. 112-3095” on your comment. Your comment—including your name and your state—will be placed on the public record of this proceeding, including, to the extent practicable, on the public Commission Web site, at <http://www.ftc.gov/os/publiccomments.shtm>. As a matter of discretion, the Commission tries to remove individuals' home contact information from comments before placing them on the Commission Web site.

Because your comment will be made public, you are solely responsible for making sure that your comment does not include any sensitive personal information, like anyone's Social Security number, date of birth, driver's license number or other state identification number or foreign country equivalent, passport number, financial account number, or credit or debit card number. You are also solely responsible for making sure that your comment does not include any sensitive health information, like medical records or other individually identifiable health information. In addition, do not include any “[t]rade secret or any commercial or