

October 22, 2021

By electronic delivery via: regs.comments@federalreserve.gov

Ann E. Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Re: Docket ID No. R-1748, RIN 7100-AG15; Debit Card Interchange Fees and Routing

Dear Board of Governors:

Thank you for committing to enforce the law to ensure merchants have routing options regardless of where the transactions occur, whether in store or online. Walmart appreciated the opportunity to submit comments expressing strong support for the proposed clarifications and sharing ideas on ways to ensure robust enforcement.

After reading the mass-generated form letters submitted on behalf of small community banks, Walmart is compelled to respond to the claims that complying with the law will be too hard and costly. It's evident that these form letters were written to generate a large volume of responses to argue against complying with federal law, and do not reflect what individual banks are already doing. Contrary to what they may claim, many of the small and medium sized issuing banks that submitted these form letters have already enabled at least two unaffiliated payment card networks for ecommerce transactions.

To demonstrate this point, Walmart is sharing enablement data to prove that it is neither too difficult, nor challenging for banks of any size to comply with the law. In fact, more than 75% of Walmart.com's debit volume that was routed to unaffiliated networks in September 2021 was attributed to unregulated issuing banks. This point bears repeating, 75% of Walmart.com's routable debit transactions in September 2021 were from cards issued through banks with less than \$10 billion in assets.

The following small, community banks submitted substantially the same form letter claiming that complying with the law would be too hard and costly. However, reviewing each of these issuing banks' debit card volume on Walmart.com in the month of September 2021 indicates:

- Bank A: 100% of their debit card volume was routed to an unaffiliated network
- Bank B: 99% of their debit card volume was routed to an unaffiliated network
- Bank C: 99% of their debit card volume was routed to an unaffiliated network

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- Bank D: 83% of their debit card volume was routed to an unaffiliated network
- And the list goes on...

The data shows that claims, such as those in the form letters, are not based in fact and act only as a distraction and should not be used as a reason to weaken the clarifications nor delay their finalization.

Thank you for the opportunity to share data rebutting what was claimed in the mass-generated form letters submitted in opposition to the clarifications. Walmart respectfully requests the Board act swiftly to finalize the clarifications to ensure merchants can choose amongst at least two unaffiliated payment card networks for every debit transaction as required by federal law.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael A. Cook". The signature is fluid and cursive, with a large initial "M" and a long, sweeping underline.

Michael A. Cook
Senior Vice President & Assistant Treasurer
Walmart, Inc.