

require action by any person or entity regulated by the NRC. Also, the final rule does not change the substantive responsibilities of any person or entity regulated by the NRC. Accordingly, for the reasons stated, the NRC finds, pursuant to 5 U.S.C. 553(d)(3), that good cause exists to make this rule effective upon publication.

### Correction to the Preamble

In FR Doc. 2015–14212 appearing on page 33987 in the **Federal Register** of Friday, June 12, 2015, the following corrections to the preamble are made:

1. On page 33988, in the second column, the **FOR FURTHER INFORMATION CONTACT** section is corrected to read as follows:

**FOR FURTHER INFORMATION CONTACT:**  
Solomon Sahle, Office of Nuclear Material Safety and Safeguards, U.S. Nuclear Regulatory Commission, Washington, DC 20555–0001, telephone: 301–415–3781; email: *Solomon.Sahle@nrc.gov*.

2. On page 34010, in the third column, last paragraph, in Section XVII, Incorporation by Reference under 1 CFR part 51—Reasonable Availability to Interested Parties, the first sentence is corrected to read as follows:

The two ISO standards incorporated by reference into 10 CFR 71.75 may be examined, by appointment, at the NRC's Technical Library, which is located at Two White Flint North, 11545 Rockville Pike, Rockville, Maryland 20852; telephone: 301–415–7000; email: *Library.Resource@nrc.gov*.

### List of Subjects in 10 CFR Part 71

Criminal penalties, Hazardous materials transportation, Incorporation by reference, Nuclear materials, Packaging and containers, Reporting and recordkeeping requirements.

For the reasons set out in the preamble and under the authority of the Atomic Energy Act of 1954, as amended; the Energy Reorganization Act of 1974, as amended; and 5 U.S.C. 552 and 553, the NRC is adopting the following correcting amendments to 10 CFR part 71:

### PART 71—PACKAGING AND TRANSPORTATION OF RADIOACTIVE MATERIAL

■ 1. The authority citation for part 71 continues to read as follows:

**Authority:** Atomic Energy Act secs. 53, 57, 62, 63, 81, 161, 182, 183, 223, 234, 1701 (42 U.S.C. 2073, 2077, 2092, 2093, 2111, 2201, 2232, 2233, 2273, 2282, 2297f); Energy Reorganization Act secs. 201, 202, 206, 211 (42 U.S.C. 5841, 5842, 5846, 5851); Nuclear Waste Policy Act sec. 180 (42 U.S.C. 10175);

Government Paperwork Elimination Act sec. 1704 (44 U.S.C. 3504 note); Energy Policy Act of 2005, Pub. L. 109–58, 119 Stat. 594 (2005).

Section 71.97 also issued under sec. 301, Pub. L. 96–295, 94 Stat. 789–790.

■ 2. In § 71.4, revise the definition of *Contamination* to read as follows:

#### § 71.4 Definitions.

\* \* \* \* \*

*Contamination* means the presence of a radioactive substance on a surface in quantities in excess of 0.4 Bq/cm<sup>2</sup> ( $1 \times 10^{-5}$  µCi/cm<sup>2</sup>) for beta and gamma emitters and low toxicity alpha emitters, or 0.04 Bq/cm<sup>2</sup> ( $1 \times 10^{-6}$  µCi/cm<sup>2</sup>) for all other alpha emitters.

(1) *Fixed contamination* means contamination that cannot be removed from a surface during normal conditions of transport.

(2) *Non-fixed contamination* means contamination that can be removed from a surface during normal conditions of transport.

\* \* \* \* \*

■ 3. In § 71.70, revise paragraph (a), fifth sentence, to read as follows:

#### § 71.70 Incorporations by reference.

(a) \* \* \* The materials can be examined, by appointment, at the NRC's Technical Library, which is located at Two White Flint North, 11545 Rockville Pike, Rockville, Maryland 20852; telephone: 301–415–7000; email: *Library.Resource@nrc.gov*. The materials are also available from the sources listed below. \* \* \*

\* \* \* \* \*

Dated at Rockville, Maryland, this 7th day of August, 2015.

For the Nuclear Regulatory Commission.

**Helen Chang,**

*Acting Chief, Rules, Announcements, and Directives Branch, Division of Administrative Services, Office of Administration.*

[FR Doc. 2015–20027 Filed 8–13–15; 8:45 am]

**BILLING CODE 7590–01–P**

## FEDERAL RESERVE SYSTEM

### 12 CFR Part 235

[Regulation II; Docket No. R–1404]

RIN No. 7100–AD 63

### Debit Card Interchange Fees and Routing

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

**ACTION:** Clarification.

**SUMMARY:** The Board is publishing a clarification of Regulation II (Debit Card Interchange Fees and Routing). Regulation II implements, among other

things, standards for assessing whether interchange transaction fees for electronic debit transactions are reasonable and proportional to the cost incurred by the issuer with respect to the transaction, as required by section 920 of the Electronic Fund Transfer Act. On March 21, 2014, the Court of Appeals for the District of Columbia Circuit upheld the Board's Final Rule. The Court also held that one aspect of the rule—the Board's treatment of transactions-monitoring costs—required further explanation from the Board, and remanded the matter for further proceedings. The Board is explaining its treatment of transactions-monitoring costs in this Clarification.

**DATES:** Effective August 14, 2015.

**FOR FURTHER INFORMATION CONTACT:** Stephanie Martin, Associate General Counsel (202–452–3198), or Clinton Chen, Attorney (202–452–3952), Legal Division; for users of Telecommunications Device for the Deaf (TDD) only, contact (202–263–4869); Board of Governors of the Federal Reserve System, 20th and C Streets NW., Washington, DC 20551.

### SUPPLEMENTARY INFORMATION

#### I. Background

The Dodd-Frank Wall Street Reform and Consumer-Protection Act (the “Dodd-Frank Act”) was enacted on July 21, 2010.<sup>1</sup> Section 1075 of the Dodd-Frank Act amends the Electronic Fund Transfer Act (“EFTA”) (15 U.S.C. 1693 *et seq.*) to add a new section 920 regarding interchange transaction fees and rules for payment card transactions.<sup>2</sup> EFTA section 920(a)(2) provides that the amount of any interchange transaction fee that an issuer receives or charges with respect to an electronic debit transaction must be reasonable and proportional to the cost incurred by the issuer with respect to the transaction.<sup>3</sup> Section 920(a)(3) requires the Board to establish standards for assessing whether an interchange transaction fee is reasonable and proportional to the cost incurred by the issuer with respect to the transaction. Without limiting the full range of costs that the Board may consider, section 920(a)(4)(B) requires the Board to distinguish between two types of costs

<sup>1</sup> Public Law 111–203, 124 Stat. 1376 (2010).

<sup>2</sup> EFTA section 920 is codified as 15 U.S.C. 1693o–2. EFTA section 920(c)(8) defines “an interchange transaction fee” (or “interchange fee”) as any fee established, charged, or received by a payment card network for the purpose of compensating an issuer for its involvement in an electronic debit transaction.

<sup>3</sup> Electronic debit transaction (or “debit card transaction”) is defined in EFTA section 920(c)(5) as a transaction in which a person uses a debit card.

when establishing standards under section 920(a)(3). In particular, section 920(a)(4)(B) requires the Board to distinguish between “the incremental cost incurred by an issuer for the role of the issuer in the authorization, clearance, or settlement of a particular electronic debit transaction,” which the statute requires the Board to consider, and “other costs incurred by an issuer which are not specific to a particular electronic debit transaction,” which the statute prohibits the Board from considering.

Under EFTA section 920(a)(5), the Board may allow for an adjustment to the amount of an interchange transaction fee received or charged by an issuer if (1) such adjustment is reasonably necessary to make allowance for costs incurred by the issuer in preventing fraud in relation to electronic debit card transactions involving that issuer, and (2) the issuer complies with fraud-prevention standards established by the Board. Those standards must, among other things, require issuers to take effective steps to reduce the occurrence of, and costs from, fraud in relation to electronic debit transactions, including through the development and implementation of cost-effective fraud-prevention technology.

The Board promulgated its final rule implementing standards for assessing whether interchange transaction fees meet the requirements of section 920(a) in July 2011. (Regulation II, Debit Card Interchange Fees and Routing, “Final Rule,” codified at 12 CFR part 235).<sup>4</sup> Among the provisions of the Final Rule was one relating to transactions-monitoring costs. Transactions-monitoring costs are costs incurred by the issuer during the authorization process to detect indications of fraud or other anomalies in order to assist in the issuer’s decision to authorize or decline the transaction. The Board included transactions-monitoring costs as part of the interchange fee standard called for in section 920(a)(3)(A) (costs incurred by an issuer for the issuer’s role in the authorization of a particular transaction) based on the Board’s determination that these costs are incurred in the course of effecting a particular transaction and an integral part of the authorization of a specific electronic debit transaction.

The Board amended Regulation II on August 3, 2012 to implement the fraud-prevention cost adjustment permitted by EFTA section 920(a)(5).<sup>5</sup> Fraud-

prevention costs included in that adjustment included costs associated with research and development of new fraud technologies, card reissuance due to fraudulent activity, data security, and card activation.<sup>6</sup> These costs are not incurred during the transaction as part of the authorization process.

On March 21, 2014, the Court of Appeals for the District of Columbia Circuit upheld the Board’s Final Rule relating to the interchange fee standard. *NACS v. Board of Governors of the Federal Reserve System*, 746 F.3d 474 (D.C. Cir. 2014).<sup>7</sup> The Court of Appeals held, however, that one aspect of the rule—the Board’s treatment of transactions-monitoring costs—required further explanation from the Board, and remanded the matter for further proceedings. The Court of Appeals agreed with the Board’s position that “transactions-monitoring costs can reasonably qualify both as costs ‘specific to a particular transaction’ (section 920(a)(4)(B)) and as fraud-prevention costs (section 920(a)(5)).” 746 F.3d at 492. The Court held, however, that the Board had not adequately articulated its reasons for including transactions-monitoring in the interchange fee standard rather than in the fraud-prevention adjustment.

## II. Rationale for Including Transactions-Monitoring Costs in the Interchange Fee Standard

In the Final Rule, the Board identified the types of costs that could *not* be included in the interchange fee standard under section 920(a)(4)(B)(ii) (other costs “not specific to a particular transaction”) on the basis of whether those costs are “incurred in the course of effecting” transactions.<sup>8</sup> Costs that were “not incurred in the course of effecting any electronic debit transaction” were determined to be outside of the allowable ambit of the interchange fee standard, but the standard could include “any cost that is not prohibited—*i.e.*, any cost that is incurred in effecting any electronic debit transaction.”<sup>9</sup> Thus, for example, the costs of equipment, hardware, software, and labor associated with transactions processing were properly included in the interchange fee standard because no particular transaction can occur without incurring these costs, and thus these costs are “specific to a particular transaction.”<sup>10</sup> In upholding

the rule, the Court of Appeals found this to be “reasonable line-drawing.”<sup>11</sup>

The same rationale supports including transactions-monitoring costs in the interchange fee standard. Transactions-monitoring systems, such as neural networks and fraud-risk scoring systems, assist in the authorization process by providing information needed by the issuer in deciding whether the issuer should authorize the transaction before the issuer decides to approve or decline the transaction. Like other authorization steps, such as confirming that a card is valid and authenticating the cardholder, transactions-monitoring is integral to an issuer’s decision to authorize a specific transaction.<sup>12</sup> In fact, most costs of the authorization process (which are costs Congress required to be considered in determining the interchange fee) assist in preventing some type of fraud. Steps in the authorization process may include ensuring that the transaction is not against an account that has been closed, checking to be sure the card has not been reported lost or stolen, checking that there is an adequate balance, and authenticating the cardholder. Like transactions-monitoring, these authorization steps are all “specific to a particular transaction” in the sense that they occur in connection with each transaction that is authorized or declined. Because the statute requires the Board to consider incremental authorization costs in setting the interchange fee standard, the Board concluded that that it should consider the costs of all activities that are integral to authorization, even if those costs are also incurred for the dual purpose of helping to prevent fraud.

By contrast, fraud-prevention costs that the Board used to calculate the separate fraud-prevention adjustment authorized under section 920(a)(5) were not necessary to effect a particular transaction and were not part of the authorization, clearing, or settlement process, and thus a particular electronic debit transaction could occur without the issuer incurring these costs. As the Board stated in the Final Rule, the types of fraud-prevention activities considered in connection with the fraud-prevention adjustment were those activities designed to prevent debit card fraud at times other than when the issuer is authorizing, settling, or clearing a transaction.<sup>13</sup> For example, in setting the fraud-prevention adjustment, the Board considered costs associated with research and development of new

<sup>4</sup> Regulation II also implemented a separate provision of section 920 relating to network exclusivity and routing.

<sup>5</sup> See 77 FR 46,258 (Aug. 3, 2012).

<sup>6</sup> See 77 FR at 46,264.

<sup>7</sup> The U.S. Supreme Court denied the retailers’ petition for a writ of certiorari on January 20, 2015. 135 S. Ct. 1170 (2015).

<sup>8</sup> 76 FR 43,394, 43,426 (July 20, 2011).

<sup>9</sup> *Id.*

<sup>10</sup> 76 FR at 43,430.

<sup>11</sup> 746 F.3d at 490.

<sup>12</sup> 76 FR at 43,430–31.

<sup>13</sup> 76 FR at 43,431.

fraud prevention technologies, card reissuance due to fraudulent activity, data security, and card activation.<sup>14</sup>

As noted above, section 920(a)(4)(B) specifically directs the Board to consider in establishing the interchange fee standard the costs “incurred by the issuer for the role of the issuer in the authorization, clearance or settlement of a particular transaction.” Transactions monitoring is an integral part of the authorization process, so that the costs incurred in that process are part of the authorization costs that the Board is required by the statute to consider when establishing the interchange fee standard. In addition, the statutory language of section 920(a)(5), which differs in important respects from section 920(a)(4)(B), supports the Board’s decision to include transactions-monitoring costs in the interchange fee standard rather than in the separate fraud prevention adjustment. The costs considered in section 920(a)(5)(A)(i) are those of preventing fraud “in relation to electronic debit transactions,” rather than costs of “a particular electronic debit transaction” referenced in section 920(a)(4)(B). Congress’s elimination of the word “particular” and its use of the more general phrase “in relation to,” along with its use of the plural “transactions,” indicates that the fraud-prevention adjustment may take into account an issuer’s fraud prevention costs over a broad spectrum of transactions that are not linked to a particular transaction.

Moreover, section 920(a)(5) permits the Board to adopt a separate adjustment “to make allowance for costs incurred by the issuer in preventing fraud *in relation to electronic debit transactions involving that issuer*” if certain standards are met, and directs that those standards include that the issuers take steps to “reduce the occurrence of, and costs from, fraud in relation to electronic debit transactions,” including “development and implementation of cost-effective fraud prevention technology.” Section 920(a)(5)(A)(i), (A)(ii)(II) (emphasis supplied). The use of the general phrase “fraud in relation to electronic debit transactions” and the specific reference to developing fraud prevention technology suggest a Congressional intent to use the fraud prevention adjustment to encourage issuers to develop and adopt programmatic improvements to address fraud outside of the context of particular transactions that incur costs for authorization, clearance, or settlement. The types of

costs the Board included in the separate fraud prevention adjustment are programmatic costs, such as researching and developing new fraud prevention technologies and data security, and other costs that encourage enhanced fraud prevention that are not necessary to effect particular transactions.

The Board is publishing this explanation in accordance with the opinion of the Court of Appeals.

By order of the Board of Governors of the Federal Reserve System, August 10, 2015.

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

[FR Doc. 2015–19979 Filed 8–13–15; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 1

#### Definitions and Abbreviations

##### *CFR Correction*

In Title 14 of the Code of Federal Regulations, Parts 1 to 59, revised as of January 1, 2015, on pages 12 and 13, in § 1.1, the definitions beginning with  $V_A$  and ending with  $V_S$  are removed.

[FR Doc. 2015–20045 Filed 8–13–15; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Federal Aviation Administration

#### 14 CFR Part 71

[Docket No. FAA–2015–3325; Airspace Docket No. 15–AWP–15]

#### Amendment of Class D and E Airspace; Santa Rosa, CA

**AGENCY:** Federal Aviation Administration (FAA), DOT.

**ACTION:** Final rule, technical amendment.

**SUMMARY:** This action amends Class D airspace and Class E airspace designated as an extension at Santa Rosa, CA, by updating the geographic coordinates of Charles M. Schulz-Sonoma County Airport to coincide with the FAA’s database. This action does not involve a change in the dimensions or operating requirements of the airspace.

**DATES:** Effective 0901 UTC, October 15, 2015. The Director of the Federal Register approves this incorporation by reference action under title 1, Code of Federal Regulations, part 51, subject to the annual revision of FAA Order

7400.9 and publication of conforming amendments.

**ADDRESSES:** FAA Order 7400.9Y, Airspace Designations and Reporting Points, and subsequent amendments can be viewed online at <http://www.faa.gov/airtraffic/publications/>. The Order is also available for inspection at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call (202) 741–6030, or go to [http://www.archives.gov/federal\\_register/code\\_of\\_federal\\_regulations/ibr\\_locations.html](http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html).

FAA Order 7400.9, Airspace Designations and Reporting Points, is published yearly and effective on September 15. For further information, you can contact the Airspace Policy and ATC Regulations Group, Federal Aviation Administration, 800 Independence Avenue SW., Washington DC 29591; Telephone: (202) 267–8783.

**FOR FURTHER INFORMATION CONTACT:** Rob Riedl, Federal Aviation Administration, Operations Support Group, Western Service Center, 1601 Lind Avenue SW., Renton, WA, 98057; Telephone (425) 203–4534.

#### **SUPPLEMENTARY INFORMATION:**

##### **Authority for this Rulemaking**

The FAA’s authority to issue rules regarding aviation safety is found in Title 49 of the United States Code. Subtitle I, Section 106, describes the authority of the FAA Administrator. Subtitle VII, Aviation Programs, describes in more detail the scope of the agency’s authority. This rulemaking is promulgated under the authority described in Subtitle VII, Part A, Subpart I, Section 40103. Under that section, the FAA is charged with prescribing regulations to assign the use of airspace necessary to ensure the safety of aircraft and the efficient use of airspace. This regulation is within the scope of that authority as it amends Class D and Class E airspace at Santa Rosa, CA.

##### **History**

The FAA’s Aeronautical Information Services identified that the airport reference point (ARP) was not coincidental with the FAA’s aeronautical database. This action makes these corrections. Accordingly, since this action merely adjusts the geographic coordinates of the airport, notice and public procedure under 553(b) are unnecessary.

Class D and E airspace designations are published in paragraphs 5000 and 6004, respectively, of FAA Order 7400.9Y, dated August 6, 2014, and

<sup>14</sup> 77 FR at 46,264.