

November 30, 2021

VIA ELECTRONIC SUBMISSION

<https://www.regulations.gov>

Honorable Lina M. Khan  
Chair, Federal Trade Commission  
600 Pennsylvania Avenue Northwest  
Washington, District of Columbia 20580

**Re: Draft FTC Strategic Plan for FY2022-2026**

The Electronic Transactions Association (“ETA”) respectfully submits these comments in response to the Federal Trade Commission (“FTC”) Draft Strategic Plan for FY2022-2026.

As the leading trade association for the payments industry, ETA represents over 500 payments and fintech companies that provide consumers and small businesses access to safe, reliable, innovative, and effective payments technologies. Our members support the FTC’s mission of protecting consumers and appreciate the opportunity to provide comments in connection with the Strategic Plan.

Specifically, we encourage the FTC to continue to work with industry participants, among other external stakeholders, as it continues to develop its strategic plans and regulatory processes, including soliciting feedback on policies, studies and other fact-finding, and proposed regulations and guidance. The payments industry, in particular, has worked closely with the FTC in the past, and our members continue to innovate and take the lead in developing new techniques for fighting fraud and protecting the payments ecosystem.

These activities are carried out within a comprehensive legal and regulatory framework that governs payments and related financial products and services. These laws and regulations govern activities such as money transmission, customer due diligence, credit reporting, information security, data protection, privacy, and prohibitions on unfair, deceptive, or abusive acts or practices. Within this regulatory framework, the payments industry has done a remarkable job in developing cutting-edge products with robust security measures to help consumers connect with merchants, make payments, and move money. Each year consumers and businesses spend nearly ten trillion dollars in card and other types of payments. This infrastructure is sophisticated, secure, and fast – processing over 270,000 transactions per minute. Indeed, consumers continue to choose electronic payments over cash and checks because of the fraud liability protections afforded by electronic payments.

In addition to fraud liability protection, the payments industry has taken the lead in developing additional fraud mitigation and data security protection best practices, including, for example:

- The payments industry developed the PCI-DSS for handling the safety of cardholder data. The PCI-DSS has become a leading data security standard across the payments and related industries.
- The payments industry has introduced point-to-point encryption (P2PE) and the tokenization of data to minimize or eliminate the exposure of unencrypted data in connection with purchases.
- The payments industry is continually developing new authentication methods to verify and authenticate transactions and minimize potentially fraudulent transactions.
- The payments industry continues to develop responsible and effective tools for monitoring and analyzing payment data for suspicious activity, including machine learning and artificial intelligence technologies. In addition, the payments industry continues to fight fraud through robust underwriting and monitoring policies and procedures. For its part, ETA has published various guidelines that provide underwriting and diligence best practices for merchant and risk underwriting, including the “Guidelines on Merchant and ISO Underwriting and Risk Monitoring” and “Payment Facilitator Guidelines.”
- The payments industry has worked to replace magnetic stripes for credit and debit cards with a computer chip card, also called EMV. Chip cards make our payments system stronger by protecting against theft, counterfeit cards, and unauthorized use of cards in stores

These are just some of the tools that the payments industry has developed in recent years to fight fraud, protect consumers, and ensure the integrity of the payments ecosystem. These efforts have been remarkably successful in reducing fraud while ensuring that consumers have access to fast, reliable, and safe payment options. This innovation was never more apparent than during the initial days of the COVID-19 pandemic when the payments industry played a critical role in helping consumers pay for goods and services and helping businesses in receiving federal aid and finding innovative ways to continue to transact with consumers.

Accordingly, any efforts by the Commission to regulate payments services should be done consistent with its statutory authorities and collaboratively with the payments industry. As such, ETA strongly encourages the Commission to be sensitive to the risk that enacting any future rules for payments products and services, without any appreciation of differences in products and services and consumer needs, will likely

stifle creativity and innovation in the market. As technology and innovation continue to shape how payments products are created and how these products are delivered and employed by customers, regulation in this space must remain adaptable and should not impose rigid rules that have the effect of unnecessarily restraining innovation or the many benefits the payments industry provides to consumers and businesses. Any additional requirements should be calibrated carefully to ensure they do not overlap or conflict with existing requirements in the payments industry.

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Our members will continue to do their part in protecting the payments ecosystem, and we look forward to assisting the FTC in carrying out its mission. We appreciate your taking the time to consider these important issues. If you have any questions or wish to discuss any issues, please contact me or ETA's SVP for Government Affairs at [Stalbott@electran.org](mailto:Stalbott@electran.org).

Respectfully submitted,



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