

Electronic Transactions Association

1101 16th Street NW, Suite 402
Washington, DC 20036
202/828-2635
www.electran.org

ETA Executive Director

Carla Balakgie

ETA Director, Communications & PR

Thomas Goldsmith

ETA Senior Director, Research & Information

Rob Drozdowski

Transaction Trends

Publishing office:
Stratton Publishing & Marketing Inc.
5285 Shawnee Road, Suite 510
Alexandria, VA 22312
703/914-9200

Publisher

Debra Stratton

Associate Publisher/Editor

Angela Brady

Managing Editor

Josephine Rossi

Contributing Editor

Marlene Hendrickson

Art Director

Janelle Welch

Contributing Writers

Lisa Dowling, Thomas Goldsmith,
Rob Drozdowski, Bryan Ochalla

Advertising Sales Manager

James Byles (202/973-6448)

Ad Production/Billing

Carrie Wood

Editorial Policy:



The Electronic Transactions Association, founded in 1990, is a not-for-profit organization representing entities who provide transaction services between merchants and settlement banks and others involved in the electronic transactions industry. Our purpose is to provide leadership in the industry through education, advocacy, and the exchange of information.

The magazine acts as a moderator without approving, disapproving, or guaranteeing the validity or accuracy of any data, claim, or opinion appearing under a byline or obtained or quoted from an acknowledged source. The opinions expressed do not necessarily reflect the official view of the Electronic Transactions Association. Also, appearance of advertisements and new product or service information does not constitute an endorsement of products or services featured by the Association. This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is provided and disseminated with the understanding that the publisher is not engaged in rendering legal or other professional services. If legal advice and other expert assistance are required, the services of a competent professional should be sought.

Transaction Trends (ISSN 1939-1595) is the official publication, published monthly, by the Electronic Transactions Association, 1101 16th St. N.W., Suite 402, Washington, DC 20036; 800/695-5509 or 202/828-2635; 202/828-2639 fax. Postage paid at New Richmond, Wisconsin, and additional mailing offices. POSTMASTER: Send address changes to the address noted above. Copyright © 2008 The Electronic Transactions Association. All Rights Reserved, including World Rights and Electronic Rights. No part of this publication may be reproduced without permission from the publisher, nor may any part of this publication be reproduced, stored in a retrieval system, or copied by mechanical photocopying, recording, or other means, now or hereafter invented, without permission of the publisher. Nonmembers, government agencies, \$150 per year; single copy, \$20. Subscriptions are available for 12-month periods only, at the quoted rates.

President's Message

Compliance Matters

About 18 months ago, the five major credit card brands banded together for the express purpose of setting uniform standards for securing the data associated with card transactions. As a result, they created the PCI Security Standards Council and gave it the mandate to manage the maintenance and growth of the PCI Data Security Standard (PCI DSS), under which all of us in the payment industry now operate for our card-based transactions.

The creation of the council is a textbook case of what happens when organizations that normally compete aggressively find a way to cooperate for their own benefit and for the good of the industry and, ultimately, the consumers. Complying with PCI standards isn't trivial or inexpensive, but the effort and expense are necessary.

This month, *Transaction Trends* features an interview with Robert Russo, the PCI Council's general manager, who oversees the council's operations and promotes compliance with the standard. It's not an easy assignment, but he has the considerable weight of the card companies and virtually all of the payments industry behind him.



One example of what Mr. Russo and the PCI Council are up to: getting software designers to make sure their point-of-sale applications meet the Payment Application Best Practices (PABP) standards recently put in place by the council. You can find the details on page 10.

As this issue of *Transaction Trends* was being completed, the first look at holiday-season shopping statistics was being compiled. The jury is out, but one thing seems certain from the early data—prepaid cards continue to be a hit with consumers. Last year, closed-loop gift and loyalty cards generated nearly \$240 billion in sales, while network-branded cards raked in more than \$180 billion. Both numbers reflect significant increases since 2006. For more, check out our feature on page 20.

And while we're reviewing holiday transaction activity, don't overlook the "Risk In Review" column on page 26 that highlights the latest intelligence on card fraud. While it seems there haven't been many earth-shattering innovations from the "black hats" in recent months, and we haven't seen a significant hike in fraud, some of the tried-and-true scams persist.

And finally, you probably have noticed some changes to the look and content of *Transaction Trends* this month as we welcome aboard a new publication team. We hope you like the new personality, and we would enjoy hearing your comments.

Regards,

Jim Baumgartner
ETA President 2007-2008
President & CEO
Moneris Solutions

Tell us what you think
about *Transaction Trends* and
share your story ideas. E-mail:
jrossi@electran.org