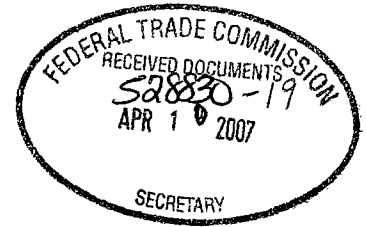




April 10, 2007



VIA MESSENGER

Federal Trade Commission
Office of the Secretary
Room H-135
600 Pennsylvania Avenue, N.W.
Washington, DC 20580

RE: American Express Travel Related Services Company, Inc. ("American Express") Comments to Proposed Consent Order between the Federal Trade Commission ("Commission") and Kmart Corporation, Kmart Services Corporation, and Kmart Promotions, LLC ("Kmart")

Dear Sir / Madam:

American Express appreciates that the Commission has provided a public comment period with regard to the proposed consent order between the Commission and Kmart (the, "Order") regarding disclosures on Kmart gift cards. American Express is an issuer of open system gift cards that run on the American Express network and are generally useable to make purchases at merchants that accept the American Express® Card. Although we recognize that the Order involves a very different kind of gift card product - one that is limited to a single merchant - we believe it is appropriate to submit a comment because the FTC's actions on the Kmart cards may eventually impact on other kinds of gift cards, including open system gift cards.

American Express fully supports the Commission's goal of protecting consumers against unfair, deceptive or fraudulent business practices and we have reviewed the Order with this goal in mind. Based on our review, American Express respectfully submits two comments that we believe would add useful clarification while fully aligning with the Commission's goal of ensuring that all material terms and conditions associated with gift cards are clearly and prominently disclosed to purchasers and recipients.

1. Part I.B. of the Order requires Kmart to disclose all Covered Fees, as defined in the Order, *on the front* of the gift card. While this requirement may make sense for the specific facts of the Kmart matter, we would respectfully suggest that the Commission notes that such a requirement would not necessarily apply to all gift cards. We would suggest that the Commission adds commentary noting that generally, a gift card issuer


can disclose the Covered Fees on the back of the gift card, provided that the fees are also prominently disclosed on the card's packaging or other collateral accompanying the gift card. American Express believes that consumers regularly look to the back of plastic payment products (e.g., credit, debit and prepaid cards) to obtain material information, such as customer service numbers. Therefore, we believe that disclosing the Covered Fees on the back of the gift card is a reasonable and appropriate way to communicate the existence of Covered Fees to recipients. In the alternative, we respectfully suggest that the Commission may wish to clarify that the requirement of disclosing Covered Fees *on the front* of a gift card can be met if a gift card issuer discloses the Covered Fees on the back of the gift card; but also discloses the Covered Fees *via* a sticker adhered to the front of the gift card that the recipient must manually remove. In this instance, the recipient of the gift card would clearly be alerted to the Covered Fees by manually removing the sticker adhered *to the front of the gift card*, and the disclosure would also appear on the back of the gift card.

2. Part I.A. of the proposed order would require Kmart to disclose any expiration date or automatic fees associated with gift cards in all advertising. Again, while this requirement may be appropriate for the circumstances in the Kmart matter, we think the Commission may wish to clarify that it is usually sufficient in general gift card advertising (where pricing details are not otherwise referred to or included) simply to state "Terms and conditions apply." We believe that should be adequate especially since the fees and expirations dates would be available and disclosed prior to purchase in any event.

We hope that our limited comments provide the Commission with important issues to consider when finalizing the Order. Should the Commission have any questions with regard to this document, please contact the undersigned directly at 212-640-5805. I am an attorney with American Express and can serve as a resource for the Commission.

Thank you for your consideration.

Sincerely,


Jason D. Halpern
Senior Counsel