



September 14, 2022

Dear Senator:

We are writing to ask you to support S. 4674, the Credit Card Competition Act, sponsored by Senators Richard Durbin and Roger Marshall. This is landmark legislation that would help fix a broken market that has allowed Wall Street megabanks and global card networks to block competition and unfairly profit at the expense of Main Street merchants and American families for far too long. Passing this bill is one of the most important things Congress can do to provide relief for small businesses and consumers struggling amid near-record inflation in every state and congressional district.

Most consumers don't know it, but big banks and card networks like Visa and Mastercard charge merchants more than 2 percent of the customer's total bill every time a credit card is used to make a purchase. Credit and debit card swipe fees have more than doubled over the past decade and soared 25 percent in 2021 alone to a record \$137.8 billion. They are most merchants' highest cost after labor – far too much to simply absorb – and drive up consumer prices by about \$900 a year for the average family. With few people using cash today, merchants have no choice but to accept cards for payment.

U.S. swipe fees are the highest in the industrialized world while banks and card networks in Canada, the United Kingdom and Europe charge a fraction of the amount while still providing generous rewards programs and other consumer perks.

Swipe fees have been able to rise so much because of lack of competition. Visa and Mastercard control more than 80 percent of the credit card market. And, unlike with debit cards, they block their competitors from handling many credit transactions. They restrict processing to their own networks, prohibiting competition from innovative independent payment networks that offer both lower fees and better security.

The Credit Card Competition Act would address this by requiring that credit cards issued by the nation's largest banks be enabled to be processed over at least two unaffiliated networks – Visa or Mastercard plus an independent network such as NYCE, Star or Shazam. Domestic credit card networks like American Express or Discover could also be the second network, but not networks supported by foreign governments like China's Union Pay. Merchants would be allowed to choose which network to use, meaning payment networks would have to compete to offer the best pricing, security and service.

This carefully crafted bill would apply only to financial institutions with \$100 billion or more in assets – fewer than three dozen institutions nationwide but 90 percent of Visa and Mastercard credit card volume – and would have no impact whatsoever on small community banks or small credit unions.

Furthermore, this measure would provide redundancy that is essential in a world dependent on credit cards. Currently, there is no backup if Visa or Mastercard's networks are hacked or suffer an outage, leaving millions of consumers with empty pockets and unusable cards. The availability of a second network would protect against such a cataclysmic breakdown of consumers' ability to pay.

While this legislation would benefit all merchants, it is small retailers who are calling for swipe fee reform more than any segment of our industry. Small retailers have the narrowest profit margins and fewest resources and are hit hardest by continuing unjustified increases in swipe fees.

We call on you to choose Main Street merchants and American consumers over Wall Street megabanks and global card networks by cosponsoring the Credit Card Competition Act. Your constituents are counting on you.

Sincerely,

American Beverage Licensees
Energy Marketers of America
FMI- the Food Industry Association
Independent Restaurant Coalition
International Franchise Association
Merchant Advisory Group
National Association of College Stores
National Association of Convenience Stores
National Association of Theatre Owners
National Grocers Association
National Restaurant Association
National Retail Federation
National Wildlife Refuge Association
NATSO - Representing America's Travel Plazas and Truckstops
Retail Industry Leaders Association (RILA)
SIGMA - America's Leading Fuel Marketers
Heartland NATO (KY, OH, TN, WV)
Mid-Atlantic NATO (DE, MD, VA)
New England Convenience Store & Energy Marketers Association
New England Service Station & Auto Repair Association

NATO of California & Nevada
North Central NATO (IA, MN, ND, SD)
Northeast Campus Stores Association
Northwest Grocery Association (OR, WA, ID)
Pacific NW Theatre Owners (OR, WA)
Restaurant Association of Metropolitan Washington
Rocky Mountain Food Industry Association (CO, WY)
Rocky Mountain NATO (CO, MT, NM, UT, WY)
Rocky Mountain Skyline Bookstore Association (CO, KS, NE, NM, SD, WY)
Theatre Owners of Mid-America (KS, MO, AR, OK, LA, TX)
Theatre Owners of New England (MA, NH, ME, RI, VT)
Tri State Jewelers Association
Western Petroleum Marketers Association
Alabama Grocers Association
Petroleum & Convenience Marketers of Alabama
Alabama Restaurant & Hospitality Association
Alabama Beverage Licensees Association
Alabama Retail Association
Alaska Cabaret, Hotel, Restaurant & Retailers Association
Arizona Food Marketing Alliance
Arizona Restaurant Association
Arizona Petroleum Marketers Association
Arkansas Grocers and Retail Merchants Assoc.
Arkansas Hospitality Association
United Beverage Retailers of Arkansas
Arkansas Oil Marketers Association
California Fuels & Convenience Alliance – CFCA
California Grocers Association
California Restaurant Association
California Retailers Association
Colorado/Wyoming Petroleum Marketers Association
Colorado Restaurant Association
Colorado Petroleum Marketers and Convenience Store Association
Coloradoan's for S.A.F.E.T.Y.
Connecticut Energy Marketers Association
Connecticut Association of Theater Owners
Connecticut Food Association
Connecticut Restaurant Association
Delaware Food Industry Council
Delaware Association of Chain Drug Stores
Delaware Restaurant Association
Delaware Small Beverage License Council
Florida Petroleum Marketers Association

Florida Restaurant & Lodging Association
Florida Independent Spirits Association
Florida Retail Federation
Georgia Association of Convenience Stores
Georgia Food Industry Association
Georgia Oilmen's Association
Georgia Association of College Stores
Georgia Restaurant Association
Georgia Alcohol Dealers Association
Hawaii Petroleum Marketers
Hawaii Energy Marketers Association
Hawaii Food Industry Association
Hawaii Restaurant Association
Retail Merchants Association of Hawaii
Idaho Lodging & Restaurant Association
Idaho Petroleum Marketers and Convenience Store Assn
Idaho Retailers Association
Idaho State Pharmacy Association
Illinois Fuel & Retail Association
Illinois Association of College Stores
Illinois Licensed Beverage Association
NATO of Illinois
Illinois Restaurant Association
Illinois Retail Merchants Association
Indiana Food & Fuel Association
Indiana Grocery and Convenience Store Association
Indiana Restaurant & Lodging Association
Indiana Association of Beverage Retailers
Theater Owners of Indiana
Indiana Retail Council
Iowa Grocery Industry Association
Iowa Restaurant Association
FUELlowa and RINAlliance
Retail Grocers Association of Missouri and Kansas
Fuel True: Independent Energy and Convenience
Kansas Licensed Beverage Association
Kansas Restaurant & Hospitality Association
Kansas Association of Beverage Retailers
Kentucky Grocers & Convenience Store Association
Kentucky Association of Beverage Retailers
Kentucky Restaurant Association
Kentucky Petroleum Marketers Association
Kentucky Retail Federation

Louisiana Oil Marketers & Convenience Store Association
Louisiana Restaurant Association
Louisiana Retailers Association
Maine Energy Marketers Association
Hospitality Maine
Retail Association of Maine
Maine Grocers & Food Producers Association
Mid-Atlantic Petroleum Distributors Association
Maryland Association of Chain Drug stores
The Maryland Food Industry Council
Restaurant Association of Maryland
Maryland Food Industry Council
Maryland State Licensed Beverage Association
Maryland Retailers Association
Massachusetts Food Association
Massachusetts Restaurant Association
Massachusetts Package Stores Association
Retailers Association of Massachusetts
Michigan Distributors and Vendors Association
Michigan Restaurant & Lodging Association
Michigan Petroleum Association/Michigan Association of Convenience Stores
NATO of Michigan
Michigan Retailers Association
Minnesota Grocers Association
Hospitality Minnesota
Minnesota Petroleum Marketers Association
Minnesota Service Station Association
Mississippi Petroleum Marketers & C-Store Assn.
Mississippi Hospitality & Restaurant Association
Missouri Grocers Association
Missouri Petroleum & Convenience Store Association
Missouri Restaurant Association
Missouri Retailers Association
Missouri Tire Industry Association
Montana Retail Association
Montana Tavern Association
Nebraska Grocery Industry Association
Nebraska Hospitality Association
Nebraska Petroleum Marketers & C-Store Association Inc.
Retail Association of Nevada
Nevada Restaurant Association
Nevada Petroleum Marketers & Convenience Store Association
New Hampshire Grocers Association

New Hampshire Lodging & Restaurant Association
New Hampshire Retail Grocers Association
New Jersey Food Council
NATO of New Jersey
NJ Gasoline C-Store Automotive Association
New Jersey Restaurant & Hospitality Association
New Jersey Liquor Stores Alliance
Fuel Merchants Association of New Jersey
New Mexico Petroleum Marketers Association
New Mexico Restaurant Association
New Mexico Retail Association
New York Association of Convenience Stores
New York Retailers Alliance
Empire State Energy Association, Inc.
NATO of New York State
New York State Restaurant Association
The Food Industry Alliance of New York State
New York State Liquor Store Association
North Carolina Retail Merchants Association
NC Petroleum & Convenience Marketers Association
Carolinans Food Industry Council
North Dakota Petroleum Marketers Association
North Dakota Grocers Association
North Dakota Hospitality Association
North Carolina Restaurant & Lodging Association
North Dakota Retail Association
Ohio Energy & Convenience Association (OECA)
The Ohio Council of Retail Merchants & Affiliates
Ohio Association of College Stores
Ohio Restaurant Association
Ohio Grocers Association
Oklahoma Grocers Association
Retail Liquor Association of Oklahoma
Oklahoma Restaurant Association
Oklahoma Petroleum Marketers and C-Store Association
Oregon Fuels Association
Oregon Restaurant & Lodging Association
Pennsylvania Food Merchants Association
NATO of Pennsylvania
Pennsylvania Restaurant & Lodging Association
Pennsylvania Petroleum Association
Malt Beverage Distributors Association of Pennsylvania
Puerto Rico Restaurant Association (ASORE)

Rhode Island Hospitality Association
South Carolina Convenience & Petroleum Marketers Association (SCCPMA)
South Carolina Restaurant & Lodging Association
ABC Stores of South Carolina
South Carolina Association of College Stores
South Carolina Retail Association
South Dakota Licensed Beverage Dealers & Gaming Association
Tennessee Fuel & Convenience Store Association
Tennessee Grocers & Convenience Store Association
Tennessee Wine & Spirits Retailers Association
Hospitality Tennessee
Tennessee Retail Association
Texas Food and Fuel Association
Texas Package Stores Association
Texas Restaurant Association
Texas Retailers Association
Utah Food Industry Association
Utah Restaurant Association
Utah Petroleum Marketers Association
Utah Retail Merchants Association
Vermont Fuel Dealers Association
Vermont Retail & Grocers Association
Vermont Specialty Food Association
Virginia Food Industry Association
Virginia Restaurant, Lodging & Travel Association
Virginia Petroleum and Convenience Marketers
Washington Food Industry Association
Washington Hospitality Association
Washington Independent Energy Distributors
West Virginia Oil Marketers and Grocers Association (OMEGA)
West Virginia Hospitality & Travel Association
Wisconsin Grocers Association
Wisconsin Petroleum Marketers & C-Store Association
NATO of Wisconsin
Wisconsin Restaurant Association
Tavern League of Wisconsin
Wyoming State Liquor Association
Wyoming Hospitality & Travel Coalition
Wyoming Petroleum Marketers and Convenience Store Association