

Congress of the United States

Washington, DC 20515

September 13, 2023

Ryan McInerney
Chief Executive Officer
Visa Inc.
P.O. Box 8999
San Francisco, CA 94128-8999

Michael Miebach
Chief Executive Officer
Mastercard
P.O. Box 8999
Purchase, NY 10577

Dear Mr. McInerney and Mr. Miebach,

We write to you today to call on you to reverse your widely reported¹ decision to increase costs imposed on merchants and consumers this fall, whether it be by increasing interchange fees or implementing new credit card fee structures. This move would be profoundly misguided. At a time when hardworking Americans and small business owners are struggling with higher costs of everyday essentials like gas and groceries, raising credit card fees would further contribute to inflationary pressures and unduly burden thousands of communities around the country that are trying to make ends meet.

When a bi-partisan, bi-cameral delegation last wrote to you – not even two years ago – in the lead up to your implementation of a similar fee increase, both of your companies rebuffed their concerns and, instead, highlighted very specific and narrow areas where you claimed to be lowering fees on most businesses in America. However, the numbers are now in, and they paint a very different picture. In 2022, merchants paid over 20 percent more on credit card swipe fees than they did in 2021, resulting in a grand total of \$93.2 billion in fees.² You can no longer mask the stark truth that your fee increases amounted to nearly a hundred billion dollars being extracted from communities and small businesses across America.

At the same time, it is an indisputable fact that your companies have been directly profiting from the inflation that has rocked our nation.³ As the prices of goods and services increase, so too do the transaction values on which your company levies its fees. This inherent advantage — one that arises not from innovation or increased service quality, but purely from external economic dynamics — should provide ample cause for restraint when considering fee adjustments.

Yet that appears, once again, not to be the case. Early reports show that this new increase in interchange rates and the implementation of new fees – such as Mastercard’s Authorization Optimizer – will amount to more than \$500 million in additional charges levied on merchants across the country.⁴ These fees will inevitably be passed on to the consumers they serve, further harming American families struggling to make ends meet.

¹ <https://www.wsj.com/finance/visa-mastercard-prepare-to-raise-credit-card-fees-ed779be1>

² *Id*

³ [https://s1.g4cdn.com/050606653/files/doc_financials/2022/q1/CORRECTED-TRANSCRIPT_-_Visa,-Inc.\(V-US\),-Q1-2022-Earnings-Call,-27-January-2022-5_00-PM-ET.pdf](https://s1.g4cdn.com/050606653/files/doc_financials/2022/q1/CORRECTED-TRANSCRIPT_-_Visa,-Inc.(V-US),-Q1-2022-Earnings-Call,-27-January-2022-5_00-PM-ET.pdf)

⁴ <https://cmspi.com/nam/en/resources/content/us-retailers-brace-for-a-new-round-of-card-fee-hikes/>

There is a growing level of mistrust among our constituents regarding the role that major financial institutions on Wall Street play during trying times. Your proposed actions risk cementing a perception that Visa and Mastercard are more interested in profiteering at the expense of hardworking Americans than in fostering a healthy, mutually beneficial relationship with your merchant partners and the communities that they serve. If you choose to go forward, it will only provide further evidence of a broken market that is desperately in need of more competition, which we aim to address by passing our bipartisan, bicameral legislation — the *Credit Card Competition Act*.

We realize that it is expensive for your companies and the Wall Street banks that you serve to continue “spend[ing] whatever is needed”⁵ to protect the status quo — a duopolistic system that allows your fees to continue to increase, unchecked by normal market restraints. However, we strongly urge you to reconsider; do not impose a fee increase that will extract even more value from our local communities.

Your duopolistic control and heavy-handed market practices have disproportionately hurt American families and small businesses for far too long. We request a response no later than September 29th, 2023.

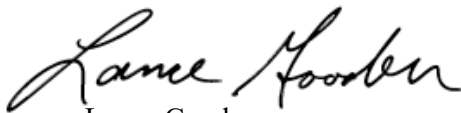
Sincerely,



Roger Marshall, M.D.
United States Senator



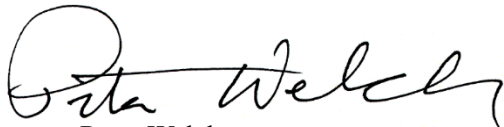
Richard J. Durbin
United States Senator



Lance Gooden
Member of Congress



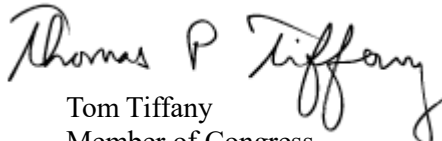
Zoe Lofgren
Member of Congress



Peter Welch
United States Senator



Jeff Van Drew
Member of Congress



Tom Tiffany
Member of Congress

⁵ <https://www.politico.com/news/2023/07/20/junk-credit-card-fees-war-00105958>