

Dear Senator/Representative:

We are writing to urge you to support S. 4674, the Credit Card Competition Act. This bipartisan legislation, introduced by Senator Durbin and Senator Marshall, will bring much needed competition into the United States credit card market, which has been dominated by only two players for far too long.

As members of the retail community and champions of the free market we typically do not support government intervention except in cases where a market is not functioning. That is the case with the credit card marketplace in the United States.

Today, Visa and Mastercard control over 83 percent of the U.S. credit card market. Unlike in the debit market, they do not have to compete with any other service provider for merchant businesses. In fact, they bar their competitors from even having a shot at business with banks that issue their cards. This blocking of competition drives up prices for U.S. consumers, harms security and strangles innovation.

In fact, swipe fees for credit cards are higher in the United States than anywhere else in the industrialized world – more than seven times as high as Europe. In 2021 alone, U.S. merchants and consumers paid nearly \$138 billion in card fees.

And because credit card swipe fees are a percentage of the transaction, they are an inflation multiplier. Economists estimate that last year alone these fees cost the average American family \$900, and because of ongoing inflation, that number is likely even higher today.

The Credit Card Competition Act would bring much-needed relief to retailers and American consumers by simply requiring that Visa and Mastercard compete with other networks for both merchant and bank business.

One payment consultant has estimated that introducing competitive networks will save U.S. consumers and merchants \$11 billion annually,

As champions of free enterprise, we know competition begets innovation. We've seen it in the debit market, where security innovations flourished when competition was introduced. When payment networks have to compete, they invest in new security technologies for their customers.

Finally, this legislation would introduce much-needed redundancy into the system. Currently, there are no backup networks on credit cards, so when there is an outage consumers cannot access their credit. By introducing routing competition S. 4674 would ensure that consumers have access to their credit cards even if a network suffers an outage or is hacked.

Our undersigned companies urge you to bring competition to the U.S credit card marketplace and support U.S consumers and Main Street businesses by cosponsoring S 4674.