



July 21, 2023

The Honorable Jack Reed
Chairman
Committee on Armed Services
United States Senate
728 Hart Senate Office Building
Washington, D.C. 20510

The Honorable Roger Wicker
Ranking Member
Committee on Armed Services
United States Senate
425 Russell Senate Office Building
Washington, D.C. 20510

Re: Credit Card Competition Act Amendment in NDAA

Dear Chairman Reed and Ranking Member Wicker:

On behalf of the 65,000+ members of the National Small Business Association¹ (NSBA), and the broader small business community, I am writing to express support for the inclusion of the bipartisan Credit Card Competition Act (CCCA) as an amendment to the National Defense Authorization Act for Fiscal Year 2024 (NDAA). We believe this amendment is critical both to small business and U.S. national security.

Small businesses have been heavily burdened with credit card processing fees (“swipe fees”) and network restrictions for years. As it exists now, the credit card processing system racks up profits for the largest banks and corporations while hurting the local businesses that can least afford to fight back. Small businesses form the backbone of our economy, comprising over 99% of all U.S. businesses, and nearly half of all private sector employees. Yet, despite this vast reach, small businesses are at a distinct disadvantage when it comes to credit card transactions. Large companies can use their scale to bargain down the cost of processing their credit card business, and easily accommodate those reduced fees. However, small businesses cannot do the same. As a practical example: how many times have you gone to your local convenience store or take-out restaurant only to see a sign informing you that they cannot accept credit card payments under \$5 or \$10? Small “mom-and-pop” merchants are forced to forego these transactions, unless they are willing to cut into their own paycheck. Ultimately, these fees also hurt consumers, as they lead to higher prices, and unfortunately in some cases, fewer options. The end result of this broken system is that the average American family pays an extra \$1000 annually due to the impact of swipe fees.

Moreover, the CCCA would bolster the strength and resiliency of America’s critical digital payment infrastructure. The CCCA takes bold action to begin to decentralize processing, requiring that transaction processing be allowed across multiple networks (not just the Visa/Mastercard duopoly). This requirement would help safeguard our national security, ensuring that in the case of ever-more-common cyberattacks, or simply technical glitches, the credit card information of millions of Americans is protected, and U.S. commerce is not brought

¹ Founded in 1937, NSBA is the nation’s oldest small-business advocacy organization. We operate on a bipartisan basis to represent the interests of all American small businesses. We have 65,000+ members in every state and every industry across the country, including our numerous state affiliates.

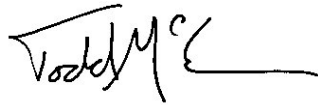
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to a grinding halt. Protecting these vital elements of America's digital payment infrastructure simply cannot wait.

On behalf of America's small businesses, I urge you to support the CCCA amendment for inclusion in this year's NDAA.

Thank you,

A handwritten signature in black ink, appearing to read "Todd McCracken". The signature is stylized with a large, sweeping "M" and a long horizontal line extending to the right.

Todd McCracken
President & CEO
National Small Business Association
www.nsba.biz

cc: Members of the Senate Committee on Armed Services