



November 20, 2023

The Honorable Mike Johnson  
Speaker  
United States House of Representatives  
H-232, The Capitol  
Washington, D.C.

The Honorable Charles Schumer  
Majority Leader  
United States Senate  
S-221, The Capitol  
Washington, D.C.

The Honorable Hakeem Jeffries  
Democratic Leader  
United States House of Representatives  
H-204, The Capitol  
Washington, D.C.

The Honorable Mitch McConnell  
Republican Leader  
United States Senate  
S-230, The Capitol  
Washington, D.C.

Dear Speaker Johnson, Leader Schumer, Leader Jeffries and Leader McConnell:

On behalf of the National Small Business Association<sup>1</sup> (NSBA) and its more than 65,000 members, as well as the millions of small businesses across the nation, I am writing to express strong support for the Credit Card Competition Act of 2023 (H.R.3881/S.1838) and to draw your attention to worrying tactics pursued by the bill's detractors.

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.

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<sup>1</sup> 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. More information about NSBA and our priorities can be found on our website at: [www.nsba.biz](http://www.nsba.biz).

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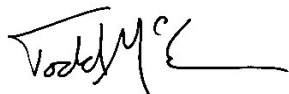
The Credit Card Competition Act is commonsense, bipartisan legislation that seeks to fix this broken marketplace, giving consumers and businesses greater flexibility and choice. By ensuring that credit card transactions can be routed over at least one non-dominant processing network, true competition can emerge, as these financial technology behemoths will be incentivized to actively vie for business, instead of guaranteeing it.

Moreover, while credit card companies consistently claim that security is the defining characteristic of their business model, and that introducing new networks may compromise security, in fact the reverse is true. Their existing narrative ignores the fact that alternative networks, like NYCE, Star, and Shazam currently handle billions of dollars of ATM and debit card transactions daily, and have been noted by the Federal Reserve to have as little as one-fifth of the fraud seen on the networks of the Visa/Mastercard duopoly.<sup>2</sup> Additionally, the CCCA would actually bolster the strength and resiliency of America's critical digital payment infrastructure, by taking bold action to begin to decentralize processing. This requirement would help ensure that in the case of cyberattacks, or simply technical glitches at one or two large corporations, the credit card information of millions of Americans is protected, and U.S. commerce is not brought to a grinding halt.

Worryingly, we have also recently seen an overt attempt by the biggest financial institutions in the country to deflect criticism by claiming support from the small business community. This month, the Electronic Payments Coalition (a well-known industry group whose members include Visa and Mastercard) have taken the step to establish what they are calling the "Small Business Payments Alliance." This group—purporting to represent small businesses who oppose credit card reform—is transparently an attempt to co-opt the mantle of small business to pursue policies broadly opposed by the small business community. On the Alliance's website, it even clearly lists a hastily-written disclaimer, admitting the group originated with the big business lobby: "SBPA is a project [sic] the Electronic Payments Coalition." While this group is merely weeks old (far younger, even, than the CCCA), NSBA is America's oldest small business advocacy organization, and we have never stopped fighting for the true interests of America's small businesses.

On behalf of America's small businesses, I urge you to reject the big bank corporate narrative and support the CCCA.

Thank you,



Todd McCracken  
President & CEO  
National Small Business Association

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<sup>2</sup> [https://www.federalreserve.gov/paymentsystems/files/debitfees\\_costs\\_2019.pdf](https://www.federalreserve.gov/paymentsystems/files/debitfees_costs_2019.pdf)