



October 4, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader Schumer, Republican Leader McConnell and Republican Leader McCarthy:

The Independent Restaurant Coalition (IRC) writes to share its support of the bipartisan Credit Card Competition Act (S. 4674), sponsored by Senators Richard Durbin (D-IL) and Roger Marshall (R-KS). We urge you to include this important legislation in the final version of the National Defense Authorization Act (NDAA) for Fiscal Year 2023. The Credit Card Competition Act will modernize consumer banking laws to better safeguard American small businesses, including restaurants, from rising “swipe fees” that are drowning our local institutions.

In the wake of high inflation rates squeezing local restaurants trying to recover from COVID-19, interchange rates have risen, at the expense of consumers and Main Street businesses. With two companies controlling over 80% of the domestic credit card market, these entities quash competition from smaller banks and exert control over businesses in every corner of the U.S. This concern is evident in the \$138 billion collected by credit card companies from businesses and consumers in 2021 alone.[1] To add insult to injury, these fees are exacerbated by inflationary pressures — since each swipe fee is a percentage of a product’s price — and have cost the American family an average of \$900 so far this year.[2]

Our coalition represents 500,000 independent restaurant operators, many of whom have struggled to the brink of bankruptcy since the onset of COVID-19. Founded in March 2020 by the restaurant and bar community, the IRC began with a singular mission: to save independent restaurants, bars, and the 11 million people we employ. Our members are still struggling, and this legislation would immediately help the entire industry keep their doors open.

Specifically, this bill would direct the Federal Reserve to make sure credit card-issuing banks offer a choice of at least two networks over which an electronic credit transaction may be processed, thus providing for necessary competition to drive down fees. Moreover, the exemption for banks with assets of less than \$100 billion provides a reasonable framework to ensure that smaller banks are not impacted.

The IRC is proud to represent a diverse group of restaurants and bars throughout the United States, and we urge you to include S. 4674, the Credit Card Competition Act in the final version of the NDAA.

Thank you for your consideration, and we look forward to working with you on this important matter.

Sincerely,

A handwritten signature in black ink that reads "Erika Polmar". The signature is written in a cursive, flowing style.

Erika Polmar
Executive Director, Independent Restaurant Coalition

[1] <https://nilsonreport.com/mention/1586/1link/>

[2] <https://www.convenience.org/Media/conveniencecorner/What-Is-All-This-Talk-About-Swipe-Fees>