



May 2, 2017

The Honorable Jeb Hensarling
Chairman
House Financial Services Committee
U.S. House of Representatives
Washington, DC 20515

The Honorable Maxine Waters
Ranking Member
House Financial Services Committee
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Hensarling and Ranking Member Waters:

On behalf of the retail industry, which supports one in four American jobs, the National Retail Federation *opposes* HR 10, Financial CHOICE Act of 2017, so long as it contains repeal of debit swipe fee reform. Debit swipe fee reform has brought competition and transparency to the debit card payments market.

Our retail members are closely watching the debate and votes on debit swipe fee reform. NRF will report to our members any supportive statements and positions taken on reform, as well as any statements and positions made in opposition to reform.

Six years ago, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act, which included a key provision that brought competition into the payment networks market and provided savings and choice to merchants and consumers - debit swipe fee reform. The debit swipe fee reform included in Dodd-Frank achieved two things: it instructed the Federal Reserve to ensure that if the largest banks did not compete then swipe fees would be made reasonable and proportional to banks' costs, and it instructed that banks must offer at least two routing options over which a purchase transaction can be sent. With more than one routing option, merchants were given a choice and banks and card networks have been forced to compete. Repealing reform would only undermine transparency and competition, further lining banks' pockets.

Swipe fees are a major concern, especially for small retailers. For many small retailers, swipe fees are their second-highest cost behind labor. The retail industry is already fiercely competitive and one of the greatest supporters of community activities on Main Street. If debit swipe fee reform is repealed, costs to retailers will only increase, meaning higher prices for consumers and less opportunity for retailers to grow their businesses, provide jobs and support community efforts.

Rather than repeal a successful provision of law that has brought competition into the payments market, we encourage Congress to support the future of payments and make sure competition is protected. We urge you to protect debit swipe fee reform.

Sincerely,

A handwritten signature in black ink, appearing to read 'David French', is written over a horizontal line.

David French
Senior Vice President
Government Relations

cc: Members of the House Financial Services Committee