



SUPPORT CREDIT CARD FEE REFORM

American Beverage Licensees (ABL) asks for your support in cosponsoring legislation to create a more competitive and transparent credit card fee system that better serves American consumers.

- **The Credit Card Fair Fee Act of 2008 (H.R. 5546 and S. 3086)**, introduced by Rep. John Conyers (D-MI) and Rep. Chris Cannon (R-UT) in the House and by Sen. Dick Durbin (D-IL) and Sen. Kit Bond (R-MO) in Senate, would address interchange fees- the biggest credit card fee imposed on retailers and consumers. This legislation would allow for fairness and greater transparency in the currently secretive interchange fee setting process.

MYTH: Interchange fees primarily pay for transaction processing costs.

FACT: With only 13 percent of fees going toward transaction processing, credit card interchange fees (nearly 2 percent of every transaction) provide direct profit for banks, fund rewards programs for mostly affluent cardholders and pay for all that junk mail in your mailbox.

MYTH: Retailers don't have to take credit cards.

FACT: In a competitive business environment where 60% or more of all payments are made with credit or debit cards and Visa and MasterCard have more than 80% of the market, merchants are forced into a take-it-or-leave-it situation where they have to accept whatever rates and terms Visa and MasterCard dictate.

MYTH: Ordinary American consumers don't pay for interchange fees.

FACT: The average American family pays hundreds of dollars in interchange fees every year, and they don't even know it. Unlike other credit card fees that show up on a monthly statement, interchange fees are not disclosed to cardholders because Visa and MasterCard wrote the rules that make it virtually impossible to tell consumers how much interchange fees are costing them.

ABL urges Congress to pass legislation creating a competitive market outcome and bringing transparency to the broken credit card market by allowing merchants a seat at the negotiating table.

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