

Durbin, Marshall Announce Hawley, Reed As New Cosponsors, Growing Support For Credit Card Competition Act

February 15 2024 9:13 AM



WASHINGTON – U.S. Senate Majority Whip Dick Durbin (D-IL), Chair of the Senate Judiciary Committee, and U.S. Senator Roger Marshall (R-KS) announced two new cosponsors to their *Credit Card Competition Act*: U.S. Senators Josh Hawley (R-MO) and Jack Reed (D-RI). The bipartisan pair joins U.S. Senators Peter Welch (D-VT) and J. D. Vance (R-OH) in support of the Durbin-Marshall legislation that would enhance competition and choice in the credit card network market, which is currently dominated

by the Visa-Mastercard duopoly. The bill has support from a wide range of small businesses and consumer groups, as well as key unions including the International Brotherhood of Teamsters and the Service Employees International Union (SEIU).

“The momentum for common sense credit card market reforms continues to grow, and I’m glad Senators Hawley and Reed are joining in their support of our bipartisan legislation. Visa and Mastercard are pushing back hard against our efforts to bring competition to the market, because they would rather cushion their bottom lines than provide relief to families and small businesses. Their false and misleading advertising campaigns will not deter us, and we look forward to building on our momentum in advance of our April 9th hearing in the Senate Judiciary Committee,” said Durbin.

“For too long, the Visa-Mastercard duopoly alongside the Wall Street megabanks have price-gouged hardworking Americans with little-to-no oversight,” said Marshall. “I am proud to see the groundswell of bipartisan support for the *Credit Card Competition Act* grow. I look forward to voting on this legislation soon and finally putting American families and Main Street ahead of Wall Street.”

“For years, Visa and Mastercard have taken advantage of their duopoly in the credit market to impose extreme fees on small merchants and retailers. This legislation will grant Main Street relief from Wall Street’s extortionate business practices,” said Hawley.

“We need to bring down excessive credit card fees for consumers, retailers, and small businesses. The current duopoly is costing consumers, mom and pop shops, restaurants, and retailers more than it should every time a customer uses their credit card. The *Credit Card Competition Act* is a responsible, bipartisan proposal that aims to curb excessive credit card fees by increasing competition and giving merchants more choice in the payment processing market,” said Reed.

Building off of debit card competition reforms enacted by Congress in 2010, the *Credit Card Competition Act* would direct the Federal Reserve to ensure that the largest credit card-issuing banks offer a choice of at least two networks, one of which must be a network other than Visa and Mastercard, over which an electronic credit transaction may be processed. The legislation is estimated to save merchants and consumers \$15 billion each year.

On Monday, Durbin [called](#) on the CEOs of Visa, Mastercard, United Airlines, and American Airlines to testify before the Senate Judiciary Committee on April 9th regarding credit card competition. Visa, Mastercard, American Airlines, and United Airlines have aggressively spoken out against the *Credit Card Competition Act*. Given the companies’ self-proclaimed personal engagement on the issue, it’s critical that Congress and the American people hear directly from their CEOs in defense of a status

quo that allowed Visa and Mastercard to levy a total of \$93 billion in credit card fees on consumers, small businesses, and others in 2022 alone.

Visa and Mastercard wield enormous market power in credit cards; according to the Federal Reserve, they account for nearly 576 million cards, or about 83 percent of general-purpose credit cards. Visa's and Mastercard's market power and network structure have enabled them to impose fees on U.S. merchants that are among the world's highest, charging a total of \$93 billion in credit card fees in 2022. These fees include interchange or swipe fees which Visa and Mastercard require merchants to pay to issuing banks, as well as network fees that Visa and Mastercard require merchants to pay directly to them. Consumers ultimately pay for all of these fees in the price of the goods and services they buy. Interchange fees are the second largest cost for many small businesses—only behind labor costs.

Visa and Mastercard have also recruited allies, including some in the airline industry, to breathlessly claim that the *Credit Card Competition Act* would make frequent flyer rewards programs disappear. The airlines have negotiated sweetheart deals with the biggest Wall Street banks at the expense of consumers and small businesses for years. The European Union put a hard cap on credit card swipe fees at .3% and their banks and airlines still offer points and miles programs.

In October, Durbin and Marshall [requested](#) information from the U.S. Department of Transportation (DOT) and the Consumer Financial Protection Bureau (CFPB) about the actions they are taking to protect consumers against unfair and deceptive practices in airlines' frequent flyer and loyalty programs.