



FOOD MARKETING INSTITUTE

Your Neighborhood Supermarkets

May 6, 2008

Dear Representative:

**The Food Marketing Institute Strongly Supports H.R. 5546 –
The Bipartisan Credit Card Fair Fee Act.**

The Food Marketing Institute which represents over 26,000 retail food stores from independent neighborhood markets to large multi-state chains, strongly supports H.R. 5546, the Credit Card Fair Fee Act of 2008. This bipartisan piece of legislation, introduced by Judiciary Committee Chairman John Conyers (D-MI) and Representative Chris Cannon (R-UT) would provide an avenue for open negotiations between the retail community and the credit card companies in the currently anticompetitive interchange fee setting process.

On the surface, the payments industry may appear to be more competitive than ever, but that is absolutely not the case. Visa and MasterCard control over 80% of the payments card market, effectively forcing retailers into a corner. Because of the take-or-leave-it situation Visa and MasterCard have created with their anticompetitive behavior, retailers are forced to accept whatever rates and terms the credit card giants dictate.

Interchange fees are the only cost of doing business that retailers cannot currently negotiate. As more and more consumers use credit cards, retailers have virtually no choice whether or not to accept them. One would expect the cost of accepting credit and debit cards to decrease with transaction volume increases, lower fraud, lower interest rates, and improved technology, but interchange fees continue to skyrocket.

The supermarket industry, which operates on paper thin profit margins, is experiencing a real crunch due to excessive interchange fees, especially as more consumers turn toward plastic for the purchase of necessity goods like milk and bread. As members of the business community, we rarely, if ever, ask government to have any say in the way in which we run our businesses, but we feel powerless to stop the credit card companies' out of control anticompetitive behavior.

The Food Marketing Institute believes that H.R. 5546, the Credit Card Fair Fee Act, is the best market-based solution to the current anticompetitive setting of interchange fees by the credit card industry. We strongly encourage you to join the bipartisan cosponsors of this important piece of legislation and support H.R. 5546.

Thank you.

Cosponsor list attached.

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Cosponsors of H.R. 5546, the Credit Card Fair Fee Act of 2008 (as of May 6)

Democrats

Rep. Conyers, John, Jr. [MI-14]
Rep. Allen, Thomas H. [ME-1]
Rep. Carnahan, Russ [MO-3]
Rep. Carney, Christopher P. [PA-10]
Rep. Delahunt, William D. [MA-10]
Rep. Ellison, Keith [MN-5]
Rep. Jackson-Lee, Sheila [TX-18]
Rep. Johnson, Eddie Bernice [TX-30]
Rep. Kagen, Steve [WI-8]
Rep. Lofgren, Zoe [CA-16]
Rep. Marshall, Jim [GA-8]
Rep. McCollum, Betty [MN-4]
Rep. Shuler, Heath [NC-11]
Rep. Weiner, Anthony D. [NY-9]
Rep. Welch, Peter [VT]
Rep. Yarmuth, John A. [KY-3]

Republicans

Rep. Cannon, Chris [UT-3]
Rep. Boozman, John [AR-3]
Rep. English, Phil [PA-3]
Rep. Gohmert, Louie [TX-1]
Rep. Hall, Ralph M. [TX-4]
Rep. Peterson, John E. [PA-5]
Rep. Platts, Todd Russell [PA-19]
Rep. Porter, Jon C. [NV-3]
Rep. Shuster, Bill [PA-9]
Rep. Sullivan, John [OK-1]
Rep. Tiberi, Patrick J. [OH-12]
Rep. Wamp, Zach [TN-3]
Rep. Whitfield, Ed [KY-1]
Rep. Wilson, Joe [SC-2]