



New York State Coalition of Hispanic Chambers of Commerce
435 Bushwick Ave
Brooklyn, NY 11206

Friday, April 29, 2011

Hon. Harry Reid, Majority Leader
United States Senate
Washington, DC 20510

Dear Senator Reid,

On behalf of the New York State Coalition of Hispanic Chambers of Commerce ("Coalition") who represents over 20 Chambers statewide, we are writing to urge you against any delay or reversal of the debit card swipe fee reform.

The Hispanic businesses we represent are retail stores, restaurants, and consumer services providers. Many of their customers use debit cards, which have become the most common form of payment. Yet, these consumers do not know that the businesses they patron are forced to pay onerous swipe fees, which amount to a significant operating cost. Swipe fees for cards have skyrocketed in less than a decade, reaching over \$48 billion dollars. The fees for debit cards alone have increased almost four-fold over the past decade from an average of 12 cents to 44 cents per transaction, totaling more than \$16 billion annually. These are direct costs incurred by merchants and their consumers.

For many merchants, swipe fees are one of their largest operating expenses - on par with items such as rent and utilities. These fees are also the fastest growing expense for many merchants. Over the past decade swipe fees have gone up faster than health care costs. According to the Hispanic Institute, "In the United States, most consumer transactions in many retail sectors are completed with a debit card. The fees paid by retailers who participate in these transactions to the banks that process these transactions are a significant percentage of the retailers' income or, in many cases, more than the retailers' income."

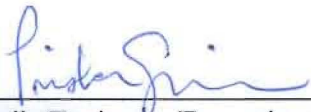
If interchange costs go down for merchants, consumers will also benefit from savings at the pump and register. Many merchants are willing to pass on savings in order to attract customers. In addition, the Department of Energy found that for gasoline retailers, there is a 100% pass-through of operational costs into retail prices. Lower swipe fees will also promote economic activity. Estimates from Robert Shapiro, the former Under Secretary of Commerce for Economic Development, show that not only would interchange fee reforms put billions back in consumers' pockets each year, that reforms could also add thousands of jobs each year—an estimated 95,000 jobs from debit card fees alone.

We cannot allow the same big banks that were bailed out a few years back to now ask Congress to turn its back on our small businesses at the same time that our member businesses are being asked to create jobs. Congress has held 9 hearings and 1 markup on swipe fees, the **GAO** has issued 3 reports, Federal Reserve Banks and think tanks have studied the issue, and the conclusion is clear—reform is necessary without further delay. Our businesses know that **S. 575 and H.R. 1081** were not exactly written to study the swipe fees—they were actually written to derail these reforms.

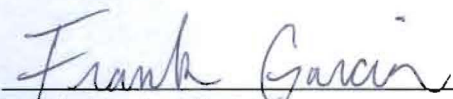
Furthermore, American merchants pay the highest swipe fees in the world. Small businesses and consumers have been waiting for years to see these reforms realized, and every month of delay means another \$1 billion that we are handing over to the big banks. It is our desire to strongly convey to you how important this is to our member businesses. Please stand with your constituents, small business owners and consumers alike, to make sure that swipe fee reforms will take effect without delay.

We thank you for your kind attention on this matter.

Sincerely,



Priscila Espinosa, Executive Director



Frank Garcia, Chairman

CHAMBER MEMBERSHIP

The New York State Coalition of Hispanic Chambers of Commerce – Chambers and Associations we represent:

- Bodega Association of the USA
- Bronx Hispanic Chamber of Commerce
- Buffalo Hispanic Chamber of Commerce
- Cosmetology & Beauty Chamber of Commerce
- Dominican Chamber of Commerce
- Hunts Point Chamber of Commerce
- Jewish & Latino Chamber of Commerce
- Latino Association of Tax Preparers, Inc (LATAX)
- Latino Bar Association of Queens
- New American Chamber of Commerce
- New York City LGBT Chamber of Commerce
- New York Greater Mexican Chamber of Commerce
- New York State Hispanics in Real Estate and Construction
- New York State Women's Hispanic Chamber of Commerce
- New York State Hispanic & Minority Daycare Chamber of Commerce
- New York State Hispanic Junior Chamber of Commerce
- New York Statewide Hispanic & Minority Veterans Chamber of Commerce
- Rochester Hispanic Chamber of Commerce
- State of Albany Region Hispanic & Minority Chamber of Commerce
- Syracuse Hispanic Chamber of Commerce
- Queens Hispanic Chamber of Commerce
- Westchester Hispanic Professional Association
- Yonkers Mexican Chamber of Commerce