



May 21st, 2011

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

Hon. John Boehner
Speaker
United States House of Representatives
Washington, DC 20515

Dear Majority Leader Reid and Speaker Boehner,

On behalf of the Salvadoran American Chamber of Commerce, I am writing to urge against any delay or reversal of the Durbin Amendment reforms to debit card swipe fees.

As an organization, we represent many Hispanic retail stores, restaurants and other businesses that provide services to the consumer and accept debit cards as payment. Consumers have come to demand the acceptance of these cards, and as merchants our members are obliged to accept them. Yet, many businesses are seeing swipe fees that are rising faster than health care costs, and are at times among their biggest operating costs alongside things like rent and utilities.

As a chamber, we believe in competition and free enterprise. Yet, there is little to no competition in the fees merchants pay for using debit cards because of the way the banks are networked and how fees are set. Therefore, our businesses are trapped in providing consumers a payment option that is not financially sustainable, given that the fees are often so onerous that they can account for most and, sometimes, all of a merchant's margin on a transaction.

The reforms to debit card fees are law. They were approved by Congress and are scheduled to go into effect. This will put billions back in consumer's pockets each year and add thousands of jobs each year. Unfortunately, some of the biggest banks, which are the only ones impacted by this regulation, want to continue fleecing merchants and their consumers. Some of these are the same big banks that were bailed out and then stopped lending to small businesses like the ones we represent. If politicians truly believe that small businesses are the engines of job creation and that we are the key to economic recovery – then let these regulations take effect.

There have been plenty of hearings, reports, studies and lots more on this issue. The argument from banks that we need to delay the regulation to study it further sounds to us like Washington, DC speak for breaking a promise to provide small business relief. Businesses in this country pay the highest swipe fees in the world and we have been waiting for years to see these reforms. Every month of delay means another \$1 billion that we are handing over to the big banks. Believe us when we say that our small businesses would do better with that \$1 billion per month by generating more economic activity, creating more jobs and passing on more savings to the consumer.

Sincerely,

A handwritten signature in dark ink, appearing to read "Victor Reyes Umaña", is written over a horizontal line.

Victor Reyes Umaña
Vice president
Salvadoran HCC