



NATIONAL ASSOCIATION OF
CHAIN DRUG STORES



March 8, 2011

The Honorable John Boehner
Speaker
U.S. House of Representatives
Washington D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington D.C. 20515

The Honorable Harry Reid
Majority Leader
United States Senate
Washington D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington D.C. 20510

To the Bipartisan Congressional Leadership:

The National Association of Chain Drug Stores and the National Community Pharmacists Association are writing in support of the implementation of the Durbin Amendment, which was included in the Financial Reform legislation enacted last year. The Durbin Amendment limits the fees charged to retail merchants on debit card transactions (known as "swipe fees") to a level that is "reasonable and proportionate" to the costs incurred by the banks and credit card associations to process these transactions. The amendment also allows retail merchants options on how their debit card transactions are routed for processing, which provides market competition for this part of the process.

The law requires the Federal Reserve to write rules to enforce the "reasonable and proportional to cost" requirement by July 2011, although the precise date for enforcing the routing rule is left to their discretion. At this point, the Federal Reserve has issued draft regulations on what is to be considered reasonable and proportionate, and they have closed the comment period on the rules.

We believe it is imperative that this process of writing and issuing final regulations continue as required by the law. Debit and credit card interchange fees currently total close to \$50 billion annually for retailers. The timely promulgation and enforcement of the regulations will assure the beginnings of reform for both debit and credit cards to assure that fees are "reasonable and proportionate" for retailers and the customers they serve in a highly competitive marketplace.

We request any assistance you can provide in ensuring the timely completion of the final regulations and the enforcement of the Durbin Amendment, and ask you to communicate that position to the Federal Reserve.

Please contact either Paul Kelly (pkelly@nacds.org) or Anne Cassity (anne.cassity@ncpanet.org) if you have any questions.

Sincerely

Steven C. Anderson, IOM, CAE
President and Chief Executive Officer
National Association of Chain Drug Stores

Kathleen D. Jaeger, Executive Vice President
and Chief Executive Officer
National Community Pharmacists Association

Cc: Members of the U.S. House of Representatives and U.S. Senate