



National Grocers Association

May 8, 2008

Dear Representative:

Support H.R. 5546- The "Credit Card Fair Fee Act"

Representative John Conyers (D-MI), Chairman of the House Judiciary Committee, and Representative Chris Cannon (R-UT) have introduced H.R. 5546, the Credit Card Fair Fee Act. As a true example of the bipartisan nature of H.R. 5546, 15 Democrats and 14 Republicans joined as co-sponsors. The introduction of H.R. 5546 follows almost three years of Congressional hearings and efforts by N.G.A. and other merchants to educate members of Congress on the unfairness and anti-competitive nature of the credit card interchange fee system. Members of Congress frequently said we know it's a problem, but what is the solution? Now there is an answer- H.R. 5546.

N.G.A. is the national trade association representing the retail and wholesale grocers that comprise the independent sector of the food distribution industry. The National Grocers Association's independent community-focused retail grocers and wholesalers strongly support H.R. 5546, the Credit Card Fair Fee Act. N.G.A.'s grocers nationwide are adversely affected by the unfair, discriminatory and anti-competitive nature of the credit card interchange fee system. H.R. 5546 offers retailers a market based solution in order to provide a more competitive and transparent credit card interchange fee system that better serves American consumers, ultimately by reducing fees.

The legislation aims to restore competition to the broken credit card market and provide merchants with the opportunity to negotiate fair credit card interchange fees with Visa and MasterCard who control over 80 percent of the market. These hidden fees are charged to retailers every time a credit card or debit card is used to pay for a purchase. The numerous fees vary with type of card, size of merchant and other factors, but averages two percent or more, or about \$2 for a \$100 purchase. With this unbridled market power the card companies have been able to indiscriminately raise interchange fees to merchants. For example, Visa and MasterCard banks collected more than \$36 billion in interchange fees in 2006, up 17 percent from 2005 and 117 percent since 2001 without any negotiation with merchants. American merchants and ultimately consumers end up paying among the highest interchange fees in the world.

N.G.A. asks for your support by co-sponsoring and voting for H.R. 5546 to restore competition to the credit card system and provide merchants with the opportunity to negotiate fair credit card interchange fees.

Once again, thank you for your support.

Sincerely,

A handwritten signature in black ink, reading "Thomas K. Zaucha". The signature is written in a cursive style and is positioned to the left of the typed name.

Thomas K. Zaucha
President & CEO