

June 3, 2025

The Honorable Roger Marshall, MD
479A Russell Senate Office Building
Washington, DC 20002

The Honorable Richard J. Durbin
711 Hart Senate Office Building
Washington, DC 20002

Dear Senators Marshall and Durbin,

We, the undersigned labor unions, who together represent over 4.5 million American workers, write to express our support for the Credit Card Competition Act (CCCA) and urge its passage into law.

While our memberships are diverse, hail from different industries, and different parts of the country, all unions know that working people are reeling from an affordability crisis on everyday goods. This crisis is especially challenging for low wage workers who more often need to make necessary purchases like gasoline, groceries and clothing on credit cards. Many of our members are also on the frontline of retail, interacting with consumers who are enduring increasing prices on everyday goods and trying to maintain safe and amicable community spaces.

We embrace the Credit Card Competition Act as a means to return more buying power to hard working Americans by curbing the outrageous rise in fees charged by Visa and Mastercard to merchants in the United States.

In the past decade, the fees charged by the two dominant credit card companies have nearly tripled. And because almost 90% of Visa/Mastercard credit cards are issued by the largest 10 banks, some of whom also sit on the boards of Visa and Mastercard, arguments about the risk of swipe fee reform to small community banks ring hollow.

The bill makes sense as it would just make Visa and Mastercard compete for business with other networks that exist today like Star, Pulse, Shazam and others. The projected \$17 billion the legislation would save would make a key difference for working Americans who pay far too much for basic goods and services today. Frankly, the approximately 50% profit margins for Visa and Mastercard dwarf profits that businesses in functioning markets make and unconscionably raise prices on working Americans.

Credit card swipe fees hit lower income workers much harder than others. Federal Reserve economists looked into this and concluded that, due to credit card swipe fees, “we estimate an aggregate annual redistribution of \$15 billion from less to more educated, poorer to richer, and high to low minority areas, widening existing disparities.” That is inexcusable and hurts working people. On average, the poorest Americans pay five times more in price markups than they will ever receive in rewards, and 23% of all rewards cardholders have not redeemed any rewards in the past year.

While this bill is quite different than what was done on debit cards, in the first year after reforms to the swipe fee market for debit cards went into effect, savings supported 37,000 American jobs. In that vein we look forward to supporting this legislation with an understanding that as merchants report savings from a more competitive and lower swipe fee market, they are committing to translating that into direct savings for consumers and increased wages for our members.

Working Americans want their wages to go further and object to big Wall Street banks syphoning off more and more money without any checks on them, especially as the current environment makes it harder for families to get by. We urge you to pass the Credit Card Competition Act as soon as possible to give our members the break they deserve.

Sincerely,

International Brotherhood of Teamsters

Retail, Wholesale, Department Store Union

Service Employees International Union

United Food & Commercial Workers International Union

CC: Members of US Senate