



For Immediate Release  
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### **ETA Weighs In On GAO Interchange Studies**

Washington, DC -- Representatives of ETA and several member companies recently participated in a 90-minute conference call to explain the components and operation of the interchange system to representatives of the U.S. Government Accountability Office.

GAO is conducting research for two reports on the interchange system, one requested by the Senate Small Business and Entrepreneurship Committee, the other required by the CARD Act, signed into law in May, 2009.

During the call, ETA members explained the different layers of the electronic payments system and defined the types of third-party businesses engaged in processing electronic payments. They also drew distinctions between the interchange rate and the discount rate, emphasizing that interchange is but one component of what merchants pay for electronic payments services. ETA detailed the high level of competition in the discount market and that, in fact, a small retailer has a greater ability to negotiate a favorable price for transaction processing than for any other utility required to run a business.

ETA directed GAO to data on the numbers, types, and value of transactions processed in a year, as well as to information showing the essential role of merchant acquirers and independent sales organizations (ISOs) in the electronic payments system.

ETA representatives will continue to work with various government agencies to provide assistance and information about the businesses they represent. ETA will also continue to engage legislators and regulators to ensure that they receive a balanced and complete picture of the electronic payments system.

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#### *About ETA:*

*The Electronic Transactions Association is an international trade association representing more than 500 companies who offer electronic transaction processing products and services.*