



For Immediate Release
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Contact: Tom Goldsmith (202) 828-2635 ext. 206

ETA Offers Views in Interchange Bill

Washington, DC -- On behalf of its members, the Electronic Transactions Association (ETA) today warned members of Congress that a pending bill to regulate interchange fees would hurt both consumers and the industry that makes it possible for them to use credit and debit cards virtually anywhere they choose.

The warning came in a written statement submitted by ETA to the House Financial Services Committee in conjunction with a hearing called by chairman Barney Frank (D-MA) to consider the Credit Card Interchange Fees Act of 2009 (HR 2382).

Among other things, the bill before the committee would give the Federal Trade Commission (FTC) the authority to police the terms and conditions to which merchants agree when obtaining a merchant account through an acquirer, prohibit higher interchange fees for premium card acceptance, ban network routing restrictions and eliminate minimum transaction volume requirements for merchants.

In its testimony statement, ETA urged the committee to consider the potential adverse consequences of interfering in a contractual relationship between merchants and credit card companies, noting that:

"First, the bill ends ubiquitous acceptance. Second, the bill seeks to interfere in the carefully calibrated risk mitigation of the electronic payments system; and third, there is no evidence that merchants would attain savings or guarantee to pass price reductions, if any, on to consumers. As an attempt to insert the federal government into a series of business-to-business agreements, HR 2382 would hurt consumers, not help them."

"ETA opposes any federal regulation of interchange as an unwarranted government intrusion into legitimate business contracts and we will continue to voice the concerns of our members on this issue and continue our efforts to inform members of Congress about the detrimental effects interchange regulation would have on consumers and those who make ubiquitous card acceptance possible," said ETA's Chief Executive Officer, Carla Balakgie.

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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.