



## AMERICANS *for* TAX REFORM

Grover G. Norquist  
*President*

March 6, 2008

Dear Member of Congress,

I'm writing you today to express ATR's concern over the Electronic Payment Systems Competition Restoration Act recently introduced by Congressman John Conyers (D-MI). The bill would create a three-judge panel to insert the federal government into private business transactions between retailers and credit card companies by imposing government controls on interchange fees, the amount credit card companies charge for their services. **This is a blatant violation of free-market principles.**

Though retailers may raise strong concerns about the cost of interchange fees to their doing business, it is not the job of the state to interfere in the relationships between the different businesses involved, or to set prices for the products they purchase from one another. In every case, members of Congress should have a strong bias against interference in the marketplace. When the heavy hand of government attempts to pick winners and losers, in the long run, consumers lose.

**The real solution is to keep the government out of retail transactions, by encouraging retailers and credit card companies to negotiate on interchange fees in a free market setting.** Winners and losers should be chosen by the market, not three unelected judges.

**When the government sets prices, customers lose.** In Australia, where a similar, price control system was imposed, customers saw fee increases from their card companies and no drop in retail prices, refuting the argument used by merchants as to how this would benefit consumers. The lessons from Australia remind us; price controls always hurt consumers.

The government should not insert itself into the private retail transactions of Americans. I urge you to oppose the Electronic Payment Systems Competition Restoration Act and stand up for the free-market.

Sincerely,

Grover Norquist  
President,  
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