



July 14, 2008

The Honorable John Conyers, Jr.
Chairman
Committee on the Judiciary
2426 Rayburn House Office Building
Washington, DC 20515

The Honorable Lamar S. Smith
Ranking Member
Committee on the Judiciary
2184 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Conyers and Ranking Member Smith:

I am writing on behalf of Consumer Bankers Association to urge you to oppose the "Credit Card Fair Fee Act of 2008," (H.R. 5546) introduced by Rep. John Conyers (D-MI) and Rep. Chris Cannon (R-UT). This bill, which creates a broad antitrust exemption for merchants and creates a government-appointed rate-setting panel, will ultimately raise costs for consumers and disrupt an efficient card payment system.

The bill, as with all price controls, would ultimately do more harm than good to the consumers it is trying to benefit. It would be bureaucratic, inefficient and anti-competitive. Furthermore, there is no evidence that the reduction in interchange fees would be passed on to consumers by the merchants. Logic suggests otherwise.

We believe that the current credit system in the United States is the best in the world, enabling customers, retailers and financial institutions to conduct their business safely and conveniently. Banks and credit card companies have worked together for years to develop protections so that the payment card transactions are secure and efficient. The process is constantly evolving to maintain the integrity of the systems, and this bill would lessen the availability of monetary incentives to continue the development of new and better efficiencies.

July 15, 2008

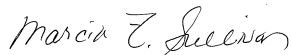
Page Two

The legislation would disturb the existing balance of a successful market. The small price paid by merchants to accept payment cards is for the extraordinary benefits of guaranteed payments, increased sales, reduced employee fraud, and customer satisfaction and retention. In the end, this bill would turn on its head a strong and effective system and do more harm to consumers than good.

For these reasons, we strongly urge you to vote against H.R. 5546 and any amendments that would provide an antitrust exemption for merchants.

If you have any questions or would like additional information please contact Marcia Sullivan (703) 276-3873 / msullivan@cbenet.org; Steve Zeisel (703) 276-3871 / szeisel@cbenet.org; Darlene Rosenkoetter (703) 276-3886 / drosenkoetter@cbenet.org

Sincerely,



Marcia Z. Sullivan
Director, Government Relations

The **Consumer Bankers Association** is the recognized voice on retail banking issues in the nation's capital. Member institutions are the leaders in consumer financial services, including auto finance, home equity lending, card products, education loans, small business services, community development, investments, deposits and delivery.

CBA was founded in 1919 and provides leadership, education, research and federal representation on retail banking issues such as privacy, fair lending, and consumer protection legislation/regulation. CBA members include most of the nation's largest bank holding companies as well as regional and super community banks that collectively hold two-thirds of the industry's total assets.