



July 15, 2008

Honorable John Conyers
Chairman
House Judiciary committee
2138 Rayburn House Office Building
Washington, DC 20515

Honorable Chris Cannon
2436 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Conyers and Rep. Cannon:

On behalf of the Latino Coalition, a non-profit, nationwide organization established to develop and promote policies that will enhance the overall business, economic and social development of Hispanics, we write to share our concerns with H.R. 5546, the Credit Card Fair Fee Act.

While our constituency is comprised of both small and medium-sized businesses, we are concerned that HR 5546 as written would circumvent a key tenet of a competitive free-market process upon which entrepreneurs rely: the ability to negotiate a fair price and terms. Creating a three-judge panel who will arbitrarily decide rates and terms for interchange fees and the electronic payments system, would not necessarily help Hispanic owned businesses learn how to negotiate.

We suspect that the coalition of merchants asking for Congressional intervention on this issue, may not have heard fully, or in part, the diverse views of Hispanic owned businesses. There are many who understand interchange fees and see them as the cost of doing business. They understand that some of the more common challenges in the small business arena are the complications of processing huge numbers of credit card transactions in a global economy.

Moreover, because access to adequate capital remains a problem for Hispanic owned businesses, they are more likely to use credit cards and less likely to use bank loans to start or acquire their businesses compared to non-Hispanic owned firms.

For The Latino Coalition and its members, educating business owners on the various options available to them regarding credit is the solution. Government intrusion is not necessary. We believe there are opportunities for our members to enter into arrangements with credit card systems, issuers and processors for preferential pricing treatment. For example, we currently work with the National Merchant Center (NMC), a California based global payment processing provider, as the Official Payment Processor for The Latino Coalition. That does not exclude us from working with any of the other payment processing companies, but indicates to us that there is competition in the marketplace.

We like the idea of giving retailers and credit card companies the opportunity to negotiate for the best deal. It seems to us, government should not get in the way of that happening. We ask that you reconsider your legislative proposal and let our entrepreneurial spirit flourish.

Sincerely,

A handwritten signature in black ink that reads "Hector V. Barreto". The signature is written in a cursive, flowing style.

Hector V. Barreto
Chairman
The Latino Coalition