



February 27, 2025

The Honorable John Thune
Majority Leader
U.S. Senate
S-221 Capitol Building
Washington, DC 20510

The Honorable Charles Schumer
Minority Leader
U.S. Senate
S-230 Capitol Building
Washington, DC 20510

The Honorable Mike Johnson
Speaker
H-232 Capitol Building
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
H-204 Capitol Building
Washington, DC 20515

Re: ***Please Pass the Credit Card Competition Act***

Dear Majority Leader Thune, Minority Leader Schumer, Speaker Johnson and Minority Leader Jeffries:

On behalf of the Asian American Hotel Owners Association (AAHOA), the largest hotel owners association in the world, we urge you to support and pass the Credit Card Competition Act as soon as possible.

Credit card swipe fees are not set based on a competitive market and have grown out of control. Visa and Mastercard fix the prices that banks around the nation charge Main Street businesses when they take credit cards. We would not allow this to happen in any other part of the economy because it undercuts the most basic principles of competition. But the credit card industry has gotten away with it for years. Frankly, their behavior is worse than what OPEC does on oil prices. It needs to be changed because this drives up costs for merchants and their customers – and undercuts any incentive for new payments innovation that could improve the payment system for all Americans. This untenable situation has gone on too long. It's time for Congress to act.

AAHOA represents 20,000 hotel owners that collectively own 60% of hotels in the United States employing more than 1 million people. The industry collects and pays more than \$100 billion in federal, state and local taxes per year. In spite of the size of the industry, many of these hotels are small family businesses.



None of our members, large or small, can deal with the broken credit card system. Nationwide, the fees on Visa and Mastercard credit cards have nearly quadrupled since 2010 alone. Businesses cannot absorb those huge cost increases and, as a result, they create inflationary pressure on consumer prices.

It is well past time for Congress to reform credit card price-fixing and make sure there is a competitive market. The Credit Card Competition Act would do that with minimal government involvement. All the bill would do is ensure that the small number of giant banks around the nation with more than \$100 billion in assets ensure that credit card networks – including giants like Visa and Mastercard – need to compete with smaller players in the market like the Star network, NYCE, Pulse, Shazam, and others. That type of market competition is the best way to ensure that prices do not continue to grow out of control.

Frankly, the bill is a compromise position. While some legislative and regulatory proposals would set or cap interest or fees charged by the card industry, this bill would not do that. The complaints that the credit card industry has invented to oppose the bill all ignore the fact that other proposals and reforms in place in much of the rest of the world are much worse for the card industry, and involve much more active regulatory interventions, than the Credit Card Competition Act.

The cumulative effect of anticompetitive swipe fees now are \$1,100 dollars out of the pockets of American families each year. That is far too much money.

This problem has dragged on for too long. The Credit Card Competition Act has been debated over the past two congresses with two different hearings. In fact, Congress has conducted nearly 20 hearings on this topic dating back several years.

It is time to act. If Congress continues to drag its feet, American consumers and Main Street businesses will continue to be punished with the highest credit card fees in the world. Please pass the Credit Card Competition Act as soon as possible.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Laura Lee Blake', is written over a white, stylized signature line that curves from the left to the right.

Laura Lee Blake
AAHOA President & CEO