



Credit Card Competition Act

Background

Independent breweries rely heavily on direct-to-consumer sales through taprooms, brewpubs, and on-premises retail. These transactions are predominantly made with credit cards, where swipe fees typically range from 2-4 percent, making them one of the highest operational expenses for small hospitality businesses.

For debit transactions, Congress acted in 2010 through the Durbin Amendment, which allowed routing choice and placed caps on fees for large issuers. Credit card fees, however, remain unregulated, and the market is dominated by two major networks, which together handle more than 80% of all transactions. Both companies update their swipe fees annually, increasing costs for millions of businesses nationwide and drawing bipartisan concern.

To address these rising costs and promote market competition, bipartisan lawmakers, including Sens. Dick Durbin (D-IL) and Roger Marshall (R-KS), alongside Reps. Lance Gooden (R-TX) and Zoe Lofgren (D-CA), introduced the *Credit Card Competition Act (CCCA)*.

Summary

The CCCA (S.3623/H.R.7035) requires the largest credit card-issuing banks to enable two unaffiliated payment networks on their cards. This allows merchants to choose the most cost-effective and secure routing option, similar to the competitive routing system already used for debit cards. The bill does not cap fees, but rather introduces competition so the market, not a duopoly, shapes pricing.

Impact

- **Meaningful Reduction in Operating Costs:** High-volume, small-dollar transactions mean swipe fees consume a significant portion of revenue in taprooms and brewpubs. Routing competition can meaningfully reduce these costs, keeping more dollars in the business.
- **Stronger Margins in Taprooms and Brewpubs:** Beer, food, and merchandise purchases increasingly rely on cards, especially contactless payments, which often carry higher rates. More routing options help stabilize and strengthen margins.
- **Protection From Annual Fee Increases:** With only two major networks, breweries have few alternatives when fees rise. Competition provides long-term cost stability, improving planning for staffing, equipment, and expansion.
- **Support for Local Economic Hubs:** Independent breweries support local jobs, suppliers, and tourism. Lower swipe fee burdens allow more revenue to remain in the community rather than being absorbed by processing networks.

CONTACT:

Michael Mohr-Ramirez

Federal Government Affairs Manager

Brewers Association

mohr-ramirez@brewersassociation.org

908.400.7032