



Credit Union National Association

[cuna.org](http://cuna.org)

**DANIEL A. MICA**  
PRESIDENT & CEO

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August 13, 2008

Members of the United States House of Representatives  
Washington, DC 20515

Dear Representatives:

On behalf of the Credit Union National Association (CUNA), I am writing to ask that you oppose H.R. 6620, the "Gas Pump Fair Payment Act of 2008." CUNA is the nation's largest credit union advocacy organization, representing 90% of our nation's approximately 8,200 state and federal credit unions, their state credit union leagues, and their 91 million members.

H.R. 6620 would arbitrarily cap the interchange rate for gasoline transactions. While we are all feeling the effects of higher gas prices, this bill would only exacerbate the problem for consumers and upset a delicate balance in the electronic payment system that reduces risk for both merchants and consumers.

Interchange is paid to the credit union or bank that issued the card to the consumer (the Issuer); it is not paid to Visa or MasterCard. Interchange is used to offset everything from the credit union's initial costs of activating cards, to ongoing administrative expenses, card replacement, unpaid accounts, and other liabilities.

When a debit or credit card is swiped at a gas station pump, the transaction is submitted to the gas station owner's acquiring bank or card processor for authorization from the consumer's card issuer. The gas station owner gets paid whether or not the issuer does – all of the risk with the transaction rests with the issuing credit union or bank. During this process, a small fee, known as interchange, is paid to the issuer to offset the risks and expenses of offering debit and credit cards.

Statutory limits on interchange will result in convenient debit and credit becoming less available and more expensive for consumers, causing credit unions to assess whether they can continue to offer debit cards and credit cards to their members. When fewer credit unions and consumer banks offer credit and debit cards to their members/customer, consumers will have fewer options and debit access and credit will be more expensive for them.

To the extent that H.R. 6620 is intended to reduce the effect of higher gas prices on consumers, it is well-intentioned; however, the reality is that the bill will only benefit the gas station franchisees and the oil company conglomerates, which will be spared the responsibility to pay their fair share to use the electronic payments system.

On behalf of America's 91 million credit union members, we urge you to oppose H.R. 6620 and appreciate your consideration.

Sincerely,

A handwritten signature in black ink that reads "Daniel A. Mica".

Daniel A. Mica  
President & CEO



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