



June 7, 2011

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, D.C. 20510

Dear Majority Leader Reid:

The National Retail Federation, representing retail merchants in your communities, strongly urges you to vote against an amendment expected to be offered by Senator Jon Tester, D-Mont., this week that would delay implementation of debit card swipe fee reform currently scheduled to take effect July 21.

Senator Tester is portraying his amendment as a compromise because it would delay swipe fee reform by 12 months rather than the 24 months proposed in legislation he introduced earlier this spring. But this bill is no compromise. It is a sham intended to kill swipe fee reform even more quickly than his original bill and should be seen for what it is.

The Tester amendment would require the Federal Reserve to rewrite its carefully crafted regulations for swipe fee reform, and would order that a wide range of unrelated costs be taken into consideration to try to justify high swipe fees. Retailers and their customers could be forced to subsidize banks' costs of installing new ATM machines or building new branches. Even Wall Street bonuses and exotic junkets are likely to be considered costs under Senator Tester's new language. Rather than bringing fees down, this amendment will force swipe fees even higher.

Swipe fee reform will bring a savings of more than \$1 billion a month that retailers will pass along to their customers through discounts and other benefits. Delaying reform would result in a \$1 billion a month bailout for the big banks paid for by consumers who have already paid for bank bailouts through their tax dollars. America's retailers and their customers urge you to **vote no** on the Tester bank bailout. NRF considers this a **Key Vote** and will include the results in our annual Congressional Scorecard report to members.

Sincerely,

A handwritten signature in black ink, which appears to read "David French", is positioned below the word "Sincerely,".

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