



Retailers Gather in Washington to Save Debit Reform

April 27, 2017

Retailers stormed Capitol Hill on Wednesday, holding nearly 100 meetings with lawmakers to urge them to save debit swipe fee reform. The group of 40 retailers included companies representing 10,000 convenience stores. The retail fly-in was organized by NACS, the National Retail Federation, the Retail Industry Leaders Association, and the Merchant Advisor's Group.

While the retailers were fighting to save debit reform, members of the House Financial Services Committee were meeting to discuss legislation that includes a full repeal of the reforms.

The Financial Service Committee's hearing examined Chairman Jeb Hensarling's (R-TX) legislation, the Financial CHOICE Act of 2017. Witnesses included:

- Mr. Peter J. Wallison, Senior Fellow and Arthur F. Burn Fellow, Financial Policy Studies, American Enterprise Institute
- Dr. Norbert J. Michel, Senior Research Fellow, Financial Regulations and Monetary Policy, The Heritage Foundation
- The Honorable Michael S. Barr, Professor of Law, University of Michigan Law School
- Mr. Alex J. Pollock, Distinguished Senior Fellow, The R Street Institute
- Dr. Lisa D. Cook, Associate Professor, Economics and International Relations, Michigan State University
- Ms. Hester Peirce, Director, Financial Markets Working Group and Senior Research Fellow, Mercatus Center, George Mason University
- Mr. John Allison, Former President and Chief Executive Officer, Cato Institute

In his opening remarks, Chairman Hensarling described his bill as one that “replaces onerous government fiat with market discipline, ends bailouts with bankruptcy, throws a deregulatory life-preserver to our community financial institutions, replaces complexity with simplicity, holds both Wall Street and Washington accountable, and unleashes capital formations so the economy can move for the betterment of our citizens.”

In a statement, Representative Dennis Ross (R-FL) defended the debit reforms referencing retailers and consumers in his district.

Ross stated, “There is a provision of this bill that I must express my concerns and that is the provision that would repeal debit reform. I’ve heard directly from a broad spectrum of the retail

community in my district and even from my manager and Publix Supermarkets in my hometown where I shop, about the need to maintain debit reform.”

He continued: “Just last night, I had the opportunity to sit down with an old friend, Wogan S. Badcock III, who is the executive vice president of public affairs for Badcock Home Furniture & More. Wogan is in the room today, and he’s here today because of the importance of this debit reform to his family furniture business, which was started in 1904 by his grandfather. The savings that they’ve realized from debit reform has allowed them to hire more employees, open more new stores and distribution centers and even pass along some of the savings to consumers.”

Representative Ted Budd (R-NC) as well as Dr. Michel and Mr. Allison criticized the debit reforms and urged their repeal.

During the course of the hearing, Ranking Member Maxine Waters (D-CA) announced that the Democrats on the panel had submitted a letter to Chairman Hensarling requesting a “minority day” hearing to analyze the draft legislation. The date, time and place of such a hearing has not yet been determined—and it is unlikely that such a hearing will occur.

Nonetheless, Hensarling officially introduced his Financial CHOICE Act, H.R. 10, following the hearing, and the bill is expected to be marked up by the Committee as early as Tuesday, and could be considered by the full House of Representatives by mid-May.