



September 12, 2016

Dear Members of the House Financial Services Committee:

**The Society of Independent Gasoline Marketers of America (“SIGMA”) urges all members of the Committee to vote against HR 5983, the Financial Choice Act. That bill would repeal debit reforms which are the most important (and pro-competitive) public policy changes in the history of our industry.**

SIGMA represents about 260 independent chain retailers and marketers of motor fuel that sell the majority of motor fuel sold in the United States. Despite the fact that one in every 30 dollars spent in the American economy is spent in our members’ channel of trade, we are an industry of small businesses. Less than five percent of retail motor fuel outlets in the nation are owned or operated by integrated oil companies. The vast majority of branded outlets are locally owned and more than 75 percent of companies in the industry operate ten stores or less.

The fuel retailing industry is one of the most price-competitive industries in the world. Prices are listed on large signs easily visible from the street. That is part of why the retail price of gasoline has dropped nearly \$1.20 over the last few years and, in constant, inflation-adjusted dollars, the price of gasoline in 2015 was less than in any year from 1932-1940.

But, because the card networks price-fix the fees that banks charge for debit and credit transactions, American fuel retailers and their customers pay the highest swipe fees in the industrialized world – even with debit reforms. And, card fees are our members’ fastest-growing cost (growing even faster than healthcare costs).

Prior to debit reform, card networks price-fixed the debit fees banks charged. Reform limited that price-fixing for the largest banks in the nation, but allowed them to charge any amount they want as long as they compete on price. But they still price-fix instead.

Debit reform also stopped the credit card network giants from paying to block their competitors from having a chance to get merchants’ business. Now, there must be at least two competitors on debit transactions. This is completely pro-competitive, but HR 5983 would end that reform and allow the giants to once again block their competitors.

**By repealing debit reform, HR 5983 would endorse price-fixing and cost American consumers and main street businesses. Vote ‘NO’ on HR 5983.**

Sincerely,

Tom Gresham  
President