

THE POLICY BRIEF

The Credit Card Competition Act

SWIPE FEES

UNDERSTANDING
THE BACKGROUND

Processing credit card transactions is the third largest operating expense for most restaurants, behind food and labor.

The Credit Card Competition Act (CCCA) is bipartisan legislation that would drive down the high swipe fees paid on every credit card transaction by creating competition in the broken credit card processing market.

If passed, the CCCA will lower swipe fees, improve credit card security and service, and save U.S. businesses—including restaurants—and consumers an estimated $17 billion a year.



LOWERING SWIPE FEES BY INTRODUCING COMPETITION

U.S. swipe fees are among the highest in the world because just two companies control 80% of the credit card processing market. Unchecked by competition, U.S. swipe fees paid by businesses and their customers have increased about 80% since 2020.

Restaurants cannot negotiate the exorbitant swipe fees paid on every credit card transaction, nor can they choose between networks when processing a transaction.

The CCCA is carefully targeted legislation that would prohibit the nation's largest banks (those with over $100 billion in assets) from restricting the number of processing networks on which a credit card transaction can be processed.

This change **would empower operators to choose the most cost effective and secure network** when processing credit card transactions, **forcing the credit card duopoly to finally compete for business.**

NATIONAL RESTAURANT ASSOCIATION

RESTAURANTS ARE ESPECIALLY AFFECTED BY HIGH SWIPE FEES

Restaurants are cornerstones of their communities, creating jobs, paying taxes, and bringing people together. In 2025, America's restaurants were the nation's second-largest private employer, generating over $1 trillion in sales.

At the same time, 9 in 10 U.S. restaurants are small businesses with fewer than 50 employees. Most operators have just one location. And a typical restaurant operates on a tight 3-5% pre-tax profit margin.

Unfortunately, high swipe fees disproportionately impact small business restaurants.

Because of their low volume and market power, U.S. small businesses pay some of the highest swipe fee rates in the industrialized world.

Restaurants can't afford to absorb or pass on the cost of ever-increasing swipe fees. By allowing small business restaurant operators to choose between networks when processing credit card transactions, the CCCA will help lower one of their top operating costs.



America's Restaurants, Small Businesses Need Congress To Act

The swipe fee status quo is unsustainable for America's restaurants.

Without congressional action to promote free and fair competition in the credit card processing market, the credit card duopoly's swipe fees will continue to rise, squeezing restaurant operators and the communities they serve.

The restaurant industry urges policymakers to create competition in the broken credit card processing market and reduce excessive credit card swipe fees by passing the Credit Card Competition Act (CCCA).

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