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The Honorable Brian Jack
Chairman
Subcommittee on Innovation, Entrepreneurship, and Workforce Development
U.S. House Committee on Small Business
1320 Longworth House Office Building
Washington, D.C. 20515

The Honorable Hillary Scholten
Ranking Member
Subcommittee on Innovation, Entrepreneurship, and Workforce Development
U.S. House Committee on Small Business
1317 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Jack and Ranking Member Scholten:

On behalf of the National Association of Convenience Stores (NACS), I write to thank you for holding today's Subcommittee on Innovation, Entrepreneurship, and Workforce Development hearing, "Main Street Meets Crypto: What Digital Assets Mean for Small Businesses." We appreciate the Subcommittee's examination of the potential benefits and challenges posed by digital currencies for small businesses. NACS recognizes the potential for stablecoins and other cryptocurrencies to help create more competition within the current broken credit card market in the U.S. But in order to make this happen, Congress, the Federal Reserve, financial regulators, and antitrust authorities must work together to ensure that new innovations in the digital asset space are not co-opted by anticompetitive forces like the Visa-Mastercard duopoly so that a modernized U.S. payments system is more fair, efficient, and affordable for small businesses and consumers alike.

Background on NACS and the Convenience and Fuel Retailing Industry

NACS is an international trade association representing the convenience store industry which includes nearly 152,000 stores across the United States.[1]

The convenience and fuel retailing industry has become a fixture in American society and a critical component of the nation's economy. In 2025, the industry employed approximately 2.74 million employees and generated $817.5 billion in total sales, representing approximately 2.66% of U.S. Gross Domestic Product.

The industry, however, is truly an industry of small business. More than 60% of convenience stores are single-store operators. Less than 0.2% of convenience stores that sell gas are owned by a major oil company and about 4% are owned by a refining company. More than 95% of the industry, then, are independent businesses.

[1] Background data on NACS comes from the NACS State of the Industry Annual Report of 2025 Data (available at NACS State of the Industry Enterprise | NACS).

Members of the industry process more than 160 million transactions every single day, the equivalent of serving about half of the U.S. population. In fact, 93% of Americans live within 10 minutes of one of our industry's locations. These businesses are particularly important in urban and rural areas of the country that might not have as many large businesses. In these locations, the convenience store not only serves as the place to get fuel but is often the grocery store and center of a community.

The U.S. Payments System is Broken

Unfortunately, the U.S. payments system has fallen behind when compared to other aspects of the 21st century digital economy. According to the Federal Reserve, credit and debit cards accounted for two-third of all payments made by U.S. consumers over the last three years.[2] Many Main Street business see an even higher volume of payments made via credit and debit cards—for the convenience store industry, approximately 81.9% of all transaction dollars were processed via card payments last year. As a result, the "swipe fees" that convenience stores must pay to process every card transaction have become the industry's second highest operating cost.

Credit card swipe fees in particular have become such an astronomical cost to merchants because just two companies, Visa and Mastercard, have maintained a stranglehold on the U.S. payments system by controlling more than 80 percent of the credit card market. These two dominant companies wield their excessive market power by centrally fixing swipe fee rates on behalf of the thousands of banks that issue cards with their logos on them, thus shielding some of the largest financial institutions in the world from having to compete with one another on both price and service.

As a result, U.S. merchants pay the highest swipe fees in the industrialized world—approximately seven times more than businesses in Europe. Since the pandemic, credit card swipe fees have increased by 70 percent, reaching an astonishing $198.2 billion in 2025. The situation has become completely untenable, which is why NACS has long urged lawmakers to pass the Credit Card Competition Act (CCCA) so that Visa and Mastercard are finally forced to compete in a fair marketplace.

Digital Currencies Could Help Drive Reform, But Require Appropriate Guardrails

While NACS believes the CCCA is the most critical reform that can be adopted today, digital assets can also serve as a complimentary, promising feature of a modernized U.S. payments system. However, policymakers should ensure that appropriate guardrails are put in place so that Visa and Mastercard cannot preserve or further expand its entrenched dominance into emerging digital currency markets.

If such guardrails are established, stablecoins and other cryptocurrencies could serve as positive momentum toward creating a healthier payments system for Main Street businesses and their customers. For instance, stablecoins enable digital funds to move directly over decentralized blockchain networks

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[2] The U.S. Federal Reserve's 2026 Diary of Consumer Payment Choice, available at https://www.frbservices.org/news/research/2026-findings-diary-consumer-payment-choice

rather than through traditional card-routing infrastructure. This creates the possibility of competing payment rails that exist outside of and are not dependent on the Visa-Mastercard network model. Furthermore, traditional card transactions can take days to fully settle, but digital currencies like stablecoins can operate continuously and allow near real-time settlement, providing businesses with quicker access to working capital. For Main Street businesses operating on thin margins, faster settlement could mean improved cash flow and potentially lower costs.

The digital traceability of these types of transactions could also greatly reduce the egregious amount of fraud within the current system. Today, the U.S. has the most credit card fraud in the world—42.3% of all global fraud—even though it has only 25.3% of the world's transaction volume.[3] But Visa and Mastercard are not currently incentivized to eliminate fraud within the system. Instead, they tend to pass fraud costs back to merchants in the form of chargebacks, and at times even impose an additional fee on the merchant just to facilitate the chargeback. If the credit card duopoly is forced to compete with other, more secure payment methods, the system could become more transparent and safer for everyone.

Finally, we know that competition drives innovation. We also know that reasonable regulatory frameworks can allow competition to flourish. When Congress enacted federal debit reform as part of the Dodd Frank Act in 2010, it was the STAR Network—not Visa or Mastercard—that was the first to bring end-to-end encryption technology to debit transactions. That law and the Federal Reserve's implementing regulation (Regulation II) also led Visa and Mastercard to finally set a timeline for the long-delayed adoption of EMV chip cards in the U.S. and brought further innovation in areas like tokenization of transactions. The emergence of digital assets could promote similar innovations within the payments system, but Congress and federal regulators must be diligent in creating an environment where competition can thrive.

The Visa-Mastercard Duopoly Wants to Co-Opt Digital Assets

Digital assets offer Main Street businesses the prospect of a modernized payments system that can move money faster, lower transaction costs, and reduce dependence on the Visa-Mastercard duopoly. But that opportunity will only be realized if the digital assets space remains open and competitive, rather than being absorbed into the existing card-network ecosystem—a worrisome trend that appears to have already started.

The two dominant card companies clearly recognize the potential disruption of digital currencies and have already moved to retain their sizeable market share in this nascent arena. For example, Visa launched its Visa Stablecoin Platform (VSP) in July of this year, which is "a new enterprise platform designed to help financial institutions, fintechs, and crypto natives access stablecoin capabilities through a single Visa-managed environment."[4] Similarly, Mastercard recently launched its Stablecoin Issuer

[3] The Consumer Credit Card Market: Report to Congress by the Consumer Financial Protection Bureau, December 2025 [available at https://files.consumerfinance.gov/f/documents/cfpb_consumer-credit-card-market-report_2025.pdf at p. 118]
[4] "Visa Introduces Platform for Stablecoin Minting, Movement and Management" [available at https://investor.visa.com/news/news-details/2026/Visa-Introduces-Platform-for-Stablecoin-Minting-Movement-and-Management/default.aspx]

Program (SIP) as a framework to enable stablecoin issuers to integrate their stablecoins into the Mastercard network ecosystem.[5] Mastercard also acquired BVNK in March, a leader in stablecoin infrastructure, for up to $1.8 billion, thus expanding the network's increased involvement in digital assets and value movement across currencies, rails and regions.[6] This behavior is consistent with both Visa's[7] and Mastercard's[8] colorful history of using their dominance to stifle the growth of their existing competitors and preventing new ecosystem players from developing innovative alternatives.

<u>Conclusion</u>

A healthy and successful digital-asset payment system could modernize the U.S. economy and pressure today's incumbents to reduce fees, improve settlement speed, enhance merchant services, and develop better tools to combat fraud. But as Main Street businesses explore the possibility of accepting digital assets as a mainstream form of payment, policymakers must prevent Visa and Mastercard from continuing to assert their market dominance to control digital currencies and other emerging payment markets so that American businesses and consumers aren't left holding the bag.

We appreciate your consideration of these important topics and look forward to working with you as these issues develop.

Sincerely,

Brennan Duckett
Director of Regulatory and Policy
NACS

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[5] "Mastercard's Stablecoin Issuer Program" [available at https://form.mastercard.com/jfe/form/SV_cvz8B1MxNz2Pd2e]

[6] "Mastercard to acquire BVNK to connect on-chain payments and fiat rails" [available at https://www.mastercard.com/us/en/news-and-trends/press/2026/march/Mastercard-to-acquire-BVNK-to-connect-on-chain-payments-and-fiat-rails.html]

[7] "Justice Department Sues Visa for Monopolizing Debit Markets" [available at https://www.justice.gov/archives/opa/pr/justice-department-sues-visa-monopolizing-debit-markets]

[8] "FTC Approves Final Order Requiring Mastercard to Stop Blocking the Use of Competing Debit Payment Networks" [available at https://www.ftc.gov/news-events/news/press-releases/2023/05/ftc-approves-final-order-requiring-mastercard-stop-blocking-use-competing-debit-payment-networks]