

When I hear Republicans say they want to get rid of Medicare as we know it, they want to turn Medicare and senior health care over to the insurance industry, we know what will happen. Seniors won't live longer healthier lives because they will have lost Medicare as we know it.

That is why we sent a letter to Vice President BIDEN—Senator TESTER, Senator MCCASKILL, Senator CARDIN, and I did—to say, take Medicare off the table. We need to deal with this budget deficit, but don't mess with Medicare while we are doing it. It is that simple.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I ask unanimous consent to speak for 10 minutes in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERCHANGE FEES

Mr. DURBIN. Mr. President, later this week we are going to consider an issue which is complicated, but it is an issue that affects every single American who ever takes a piece of plastic and pays for anything at a hotel, a restaurant, a convenience store, tuition at a school, or a charitable deduction to the Red Cross in the midst of a disaster. If you use plastic, every time that debit card—we are talking just about debit cards for this conversation—every time that debit card is swiped, there is a fee that goes to the bank that issued the card. One may think to oneself, I wonder how they negotiate those fees. The answer is, they don't. What happens is the credit card companies—the two giants, Visa and MasterCard, working through the issuing banks—determine what is going to be charged every time someone swipes a card.

What does a local grocery store have to say about it? Nothing. Their alternative is to not accept plastic at all. Visa and MasterCard say, you want to use our card, you play by our rules and our rules will tell you how much we take every time you swipe a card. I have seen it happen, and my colleagues have too, where you go into a store and shake your head because that young person in front of you just bought a candy bar and is using a piece of plastic to pay for it and you think to yourself, Why didn't they reach in their pocket and pull out a dollar bill to pay for it. Instead, they swipe the card, and we know what happens. That person selling the candy bar just lost money, because the banks and the credit card companies are going to get that swipe fee which happens to be more than the profit this little grocery store is going to make on a candy bar.

Naturally, retailers across America have said, this isn't fair to us. We have no negotiating power when it comes to how much is taken out each time there is a plastic transaction for debit cards, and the consumers don't know. We

know as retailers, but the consumers don't even know. There is no transparency. There is no competition. What is wrong with this picture?

If we believe in a free market, we believe in those two things. We ought to believe there would be some competition so maybe there would be one debit card company that charges a lower fee. Maybe there would be special consideration given if somebody paid in cash.

I guess this dates me, but there was a time when people paid in cash for almost everything, except when they used a check, and that was rare. And when they processed the check, it was pennies. Right now, the Federal Reserve tells us that for each and every debit card transaction, the average fee charged is 44 cents.

When we passed an amendment here last year, we said to the Federal Reserve, What is the actual cost to the company, the issuing bank and the credit card, debit card company, for processing this transaction? They said, 10 cents or 12 cents, and they are charging over 40 cents on each transaction. Who pays it? We all pay it. Even if you walk into a store to pay cash, that merchant has put a price on a good that considers the fact that most people are using plastic so they have to raise the price to cover that fee. So we said to the Federal Reserve, Sit down and figure out what is reasonable and proportional in terms of the cost that should be collected every time someone swipes a card.

Well, this is a big political issue, one of the biggest. One might say it is a multibillion-dollar issue, and it is. Because each month in America, over \$1.3 billion is collected from customers all across America when they swipe their debit cards. Where does the money go? Most of it goes to the biggest banks on Wall Street—the same banks that were just moaning and groaning a few years ago about how they needed a bailout because they made some big mistakes. They are back again. They want a bailout when it comes to these debit cards. They want to be able to continue to collect 40 cents and more on every transaction.

We passed a law that said the party is over. Starting July 21, there will be a new rule that will establish a reasonable fee, and they have been fighting this with all of their might, all of their lobbyists, all of their workers, all the letters they can send, against this reform. Why? Because it involves huge amounts of money for these major Wall Street banks and credit card companies.

We have to bring an end to this. Consumer groups across America, labor groups, and small business groups—retail federations, merchants, saloon keepers, hotel owners, restaurant owners, convenience store owners—all across America have said we have to quit this. This isn't fair to us and to our customers. Let us have a reasonable amount charged for what is actually taking place with the debit card

and we can live with it, but not four times as much as they are charging today. Incidentally, go up to Canada—not a lot different than the United States. They have debit cards and credit cards there, issued by banks. Do my colleagues know what the interchange fee is charged in Canada today? Zero. No charge. No charge at all to the merchant who takes a debit card to Canada. The same companies, Visa and MasterCard, charge zero in Canada and 40 cents in the United States. Aren't we blessed to have two great credit card companies who dreamed up how to stick it to American consumers at the benefit of American banks on Wall Street particularly? That is what this is about.

Most of my colleagues have gone home over the last week or two and they have heard about this issue because it means a lot to a lot of people. What we did was exempt in this law credit unions and community banks. Some people say, Why did you exempt them? Why shouldn't they have reduced fees too? Well, we want to make sure that financially they are not disadvantaged by this, and we put in a specific exemption, sent it to the Federal Reserve to write up their rules to protect them. I have said on the floor and I will say it again, if at the end of the day the rule from the Federal Reserve does not provide adequate protection for credit unions and community banks, I am ready to sign up today to put in even more protection in the law. I will be there. I want to make sure they understand. They were exempted because I believe they should be, and I want to make sure that exemption works.

But I don't care what happens to the Wall Street banks. I don't care what happens to these credit card companies. They seem to end up on their feet when it is all over anyway. After giving them billions of dollars in taxpayers' money to bail them out of their mess that they made of things in this recession, what did they do? They sent us a big wet kiss in the form of multimillion-dollar bonuses for all of their officers, smiling all the way to the bank with taxpayers' money. We don't owe them a thing.

The Members who will come to the floor this week and vote with those big banks and those credit card companies really have to ask themselves: When are you ever going to stand up for consumers and retailers and merchants and small businesses across America? Is somebody going to speak up for them in this Chamber?

That is what this debate is about, and I hope at the end of the day my colleagues will stand tall and say no to Wall Street, no to the credit card companies; that they will stand by the retailers and merchants, to give them a chance for transparency and competition, to give them a chance for a reasonable—reasonable—fee for what is actually transpiring in this transaction.

Mr. President, I yield the floor.

ADJOURNMENT UNTIL 10:30 A.M.
TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate stands adjourned until 10:30 a.m. tomorrow.

Thereupon, the Senate, at 6:30 p.m., adjourned until Tuesday, June 7, 2011, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate:

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS THE CHAIRMAN OF THE JOINT CHIEFS OF STAFF AND APPOINTMENT TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTIONS 152 AND 601:

To be general

GEN. MARTIN E. DEMPSEY

IN THE NAVY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS THE VICE CHAIRMAN OF THE JOINT CHIEFS OF STAFF AND APPOINTMENT TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTIONS 601 AND 154:

To be admiral

ADM. JAMES A. WINNEFELD, JR.

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT AS THE CHIEF OF STAFF, UNITED STATES ARMY, AND APPOINTMENT TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTIONS 601 AND 3033:

To be general

GEN. RAYMOND T. ODIERNO

CONFIRMATION

Executive nomination confirmed by the Senate Monday, June 6, 2011:

DEPARTMENT OF JUSTICE

DONALD B. VERRILLI, JR., OF THE DISTRICT OF COLUMBIA, TO BE SOLICITOR GENERAL OF THE UNITED STATES.