



October 12, 2022

The Honorable Adam Smith  
Chairman  
House Armed Services Committee

The Honorable Mike Rogers  
Ranking Member  
House Armed Service Committee

*Delivered electronically*

Re: Proposed Amendments to NDAA

As the President and CEO of GoWest Credit Union Association, which serves the not-for-profit, cooperative credit unions in Arizona, Colorado, Idaho, Oregon, Washington, and Wyoming, I am reaching out to share some serious concerns our member credit unions have regarding proposed amendments to the National Defense Authorization Act (NDAA).

As you know, the NDAA ensures our troops have the training, equipment, and other resources they need to serve and protect our nation. In your leadership role on the House Armed Services Committee, you've taken stewardship of NDAA very seriously. Thank you.

Recently, Senators Dick Durbin and Roger Marshall filed amendments to this critical legislation, using it as a convenient vehicle to pass the controversial Credit Card Competition Act, S.4674/H.R.8874. They may feel they have good intentions to protect consumers, but please allow me to share some facts about why these amendments are misguided.

One of them is nothing more than a back-door attempt to pass S.4674 and H.R.8874. The other calls for an unnecessary study on swipe fees in military commissaries and Morale, Welfare, and Recreation facilities. The DoD and Treasury regularly review the military banking program, and the data the amendment seeks through a cumbersome study could easily be obtained by sending a letter, or by contacting the major payment card networks. This "study", outlined in the amendment, is a litany of slanted research questions hastily written to gain a specific outcome, whereas the DoD's research and process in implementing the military banking program is well thought out and highlights the considerable benefits military members receive under current card programs.



With regards to the Credit Card Competition Act, it will only benefit retail giants. It will force local financial institutions such as community banks and credit unions to contract with multiple credit card routing companies. And the decision about which companies are used is made by the retailers. Our concern is that with profit as a motive, they will select the cheapest system, not the most secure. Consumers trust the secure payments systems we currently use, and the interchange fees we do receive are used to protect our members' data, to replace cards, and ensure our members are financially made whole when fraud does occur on a merchant's system.

Data protection is more important to people than cheaper service for mega-retailers. If the legislation passes and lowers the fees merchants pay every time your constituents use their credit cards, would the mega-retailers pass those savings along? Not if history is any indication. When the Durbin Amendment was passed as part of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the merchant lobby made promises that consumers would benefit. But here's what actually happened: The [Federal Reserve Bank of Richmond](#) found that after the Durbin Amendment was implemented, 98.8 percent of merchants did not pass their savings along, and in fact 20% of them increased costs.

We appreciate the fact that the House version of the NDAA does not include these amendments and would ask for your vigilance to keep them out of the final legislation. We also urge you to oppose the Credit Card Competition Act.

A handwritten signature in black ink, appearing to read 'Troy Stang'.

Troy Stang  
President and CEO  
GoWest Credit Union Association

cc: GoWest Credit Union Association Delegation Members on the HASC:  
The Honorable Liz Cheney  
The Honorable Jason Crow  
The Honorable Reuben Gallego  
The Honorable Doug Lamborn  
The Honorable Rick Larsen  
The Honorable Marilyn Strickland