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**REMARKS AS PREPARED FOR DELIVERY BY ASSISTANT ATTORNEY GENERAL  
FOR THE ANTITRUST DIVISION CHRISTINE VARNEY AT THE VISA,  
MASTERCARD AND AMERICAN EXPRESS ANNOUNCEMENT**

Washington, D.C.

Thank you Attorney General Holder. And thank you for your steadfast leadership on protecting consumers and businesses from anticompetitive conduct.

And, I would like to thank Attorney General Cordray for taking the lead on behalf of the seven Attorneys General on this case. Their efforts have helped to bring about this important step that allows consumers to receive more discounts and rewards, and merchants to offer their customers more options.

I just want to take a moment to explain some of the anticompetitive actions we allege in our complaint and why the litigation against American Express is so important to consumers and merchants.

To put it in perspective, I am sure you are aware that there is a substantial amount of interstate commerce involved – more than \$1.6 trillion in transaction volume flowed through these companies' networks.

Every time a consumer uses a Visa, MasterCard or American Express credit or charge card to pay for a purchase from a merchant, the merchant must pay a fee, often called a "card acceptance fee," "merchant discount fee," or "swipe fee."

When merchants agree to accept Visa, MasterCard or American Express general purpose cards, they commit to abide by the network rules. They face penalties, including termination of their contracts, if they violate these rules. Among the three, American Express's rules are the most restrictive for merchants.

Visa, MasterCard and American Express's merchant contract prohibitions unreasonably restrain competition in the market for general purpose card network services to merchants, including those merchants who provide travel and entertainment services.

For example:

American Express prohibits a merchant from engaging in any practice that promotes a less expensive brand of cards over American Express.

And, American Express prohibits a merchant from offering a discount at the point of sale to a consumer who chooses to use another general purpose card instead of an American Express card.

In other words, even if one card is much cheaper than another, these card companies prevent merchants from sharing with consumers the savings when a less expensive card is used.

These restraints insulate the companies' card acceptance fees from competition, increase costs of payment acceptance to merchants, increase prices, reduce output, harm the competitive process, raise barriers to entry and expansion, and slow down innovation.

To echo the Attorney General's statements, we want ALL consumers to benefit from more choices and lower prices. We want ALL merchants to have the freedom to offer its customers the most credit card options at the least amount of cost to them.

With the settlement of Visa and MasterCard, we're partway there. We can't get a resolution that will benefit ALL consumers and merchants until the American Express restraints are struck down.

American Express maintains a significant presence in the marketplace. There is no reason for their restrictive rules to be in place. These rules stifle competition. And that means that consumers and merchants pay the price.

We will strive to reach a resolution as quickly as possible. My staff and I have our eye on the ultimate goal – to ensure that EVERY consumer and merchant benefits from a competitive marketplace in this industry.

Some of the staff who worked on this matter are here today in the back of the room. The team is led by Deputy Assistant Attorneys General Molly Boast and Carl Shapiro and Chief John Read. I want all of you to know how much I appreciate, and how much American consumers and merchants appreciate what we have achieved so far. But as the Attorney General has said, we are not done.

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