

*Roger W. Marshall*  
S.L.C.

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To require the Board of Governors of the Federal Reserve System to prescribe regulations relating to network competition in credit card transactions.

IN THE SENATE OF THE UNITED STATES—118th Cong., 2d Sess.

**H. R. 3935**

AMENDMENT N<sup>o</sup> 1936

By Marshall

To: Amor No 1911

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MARSHALL

(for himself and Mr. DURBIN) to the amendment (No. 1911) proposed by Ms. Cantwell (for herself, Mr. Cruz, Ms. Duckworth, and Mr. Moran)

Viz:

- 1 At the appropriate place, insert the following:
- 2 **SEC. \_\_\_\_ . CREDIT CARD COMPETITION.**
- 3 (a) SHORT TITLE.—This section may be cited as the
- 4 “Credit Card Competition Act of 2024”.
- 5 (b) COMPETITION IN CREDIT CARD TRANS-
- 6 ACTIONS.—
- 7 (1) IN GENERAL.—Section 921 of the Elec-
- 8 tronic Fund Transfer Act (15 U.S.C. 1693o-2) is
- 9 amended—
- 10 (A) in subsection (b)—

1 (i) by redesignating paragraphs (2),  
2 (3), and (4) as paragraphs (3), (4), and  
3 (5), respectively; and

4 (ii) by inserting after paragraph (1)  
5 the following:

6 “(2) COMPETITION IN CREDIT CARD TRANS-  
7 ACTIONS.—

8 “(A) NO EXCLUSIVE NETWORK.—

9 “(i) IN GENERAL.—Not later than 1  
10 year after the date of enactment of the  
11 Credit Card Competition Act of 2024, the  
12 Board shall prescribe regulations providing  
13 that a covered card issuer or payment card  
14 network shall not directly or through any  
15 agent, processor, or licensed member of a  
16 payment card network, by contract, re-  
17 quirement, condition, penalty, technological  
18 specification, or otherwise, restrict the  
19 number of payment card networks on  
20 which an electronic credit transaction may  
21 be processed to—

22 “(I) 1 such network;

23 “(II) 2 or more such networks,

24 if—



1 under clause (i) take effect, and not  
2 less frequently than once every 3  
3 years thereafter, shall determine  
4 whether the 2 networks identified  
5 under clause (i)(III) have changed, as  
6 compared with the most recent such  
7 determination by the Board.

8 “(II) EFFECT OF DETERMINA-  
9 TION.—If the Board, under subclause  
10 (I), determines that the 2 networks  
11 described in clause (i)(III) have  
12 changed (as compared with the most  
13 recent such determination by the  
14 Board), clause (i)(III) shall no longer  
15 have any force or effect.

16 “(B) NO ROUTING RESTRICTIONS.—Not  
17 later than 1 year after the date of enactment of  
18 the Credit Card Competition Act of 2024, the  
19 Board shall prescribe regulations providing that  
20 a covered card issuer or payment card network  
21 shall not—

22 “(i) directly or through any agent,  
23 processor, or licensed member of the net-  
24 work, by contract, requirement, condition,  
25 penalty, or otherwise—



1 tokenization, or other security tech-  
2 nology for the processing of those  
3 electronic credit transactions; or

4 “(ii) impose any penalty or disadvan-  
5 tage, financial or otherwise, on any person  
6 for—

7 “(I) choosing to direct the rout-  
8 ing of an electronic credit transaction  
9 over any payment card network on  
10 which the electronic credit transaction  
11 may be processed; or

12 “(II) failing to ensure that a cer-  
13 tain number, or aggregate dollar  
14 amount, of electronic credit trans-  
15 actions are handled by a particular  
16 payment card network.

17 “(C) APPLICABILITY.—The regulations  
18 prescribed under subparagraphs (A) and (B)  
19 shall not apply to a credit card issued in a 3-  
20 party payment system model.

21 “(D) DESIGNATION OF NATIONAL SECU-  
22 RITY RISKS.—

23 “(i) IN GENERAL.—Not later than 1  
24 year after the date of enactment of the  
25 Credit Card Competition Act of 2024, the

1 Board, in consultation with the Secretary  
2 of the Treasury, shall prescribe regulations  
3 to establish a public list of any payment  
4 card network—

5 “(I) the processing of electronic  
6 credit transactions by which is deter-  
7 mined by the Board to pose a risk to  
8 the national security of the United  
9 States; or

10 “(II) that is owned, operated, or  
11 sponsored by a foreign state entity.

12 “(ii) UPDATING OF LIST.—Not less  
13 frequently than once every 2 years after  
14 the date on which the Board establishes  
15 the public list required under clause (i),  
16 the Board, in consultation with the Sec-  
17 retary of the Treasury, shall update that  
18 list.

19 “(E) DEFINITIONS.—In this paragraph—

20 “(i) the terms ‘card issuer’ and ‘cred-  
21 itor’ have the meanings given the terms in  
22 section 103 of the Truth in Lending Act  
23 (15 U.S.C. 1602);

24 “(ii) the term ‘covered card issuer’  
25 means a card issuer that, together with the

1 affiliates of the card issuer, has assets of  
2 more than \$100,000,000,000;

3 “(iii) the term ‘credit card issued in a  
4 3-party payment system model’ means a  
5 credit card issued by a card issuer that  
6 is—

7 “(I) the payment card network  
8 with respect to the credit card; or

9 “(II) under common ownership  
10 with the payment card network with  
11 respect to the credit card;

12 “(iv) the term ‘electronic credit trans-  
13 action’—

14 “(I) means a transaction in  
15 which a person uses a credit card; and

16 “(II) includes a transaction in  
17 which a person does not physically  
18 present a credit card for payment, in-  
19 cluding a transaction involving the  
20 entry of credit card information onto,  
21 or use of credit card information in  
22 conjunction with, a website interface  
23 or a mobile telephone application; and



1                   “(v) the term ‘licensed member’ in-  
2                   cludes, with respect to a payment card net-  
3                   work—

4                   “(I) a creditor or card issuer that  
5                   is authorized to issue credit cards  
6                   bearing any logo of the payment card  
7                   network; and

8                   “(II) any person, including any  
9                   financial institution and any person  
10                  that may be referred to as an  
11                  ‘acquirer’, that is authorized to—

12                  “(aa) screen and accept any  
13                  person into any program under  
14                  which that person may accept,  
15                  for payment for goods or serv-  
16                  ices, a credit card bearing any  
17                  logo of the payment card net-  
18                  work;

19                  “(bb) process transactions  
20                  on behalf of any person who ac-  
21                  cepts credit cards for payments;  
22                  and

23                  “(cc) complete financial set-  
24                  tlement of any transaction on be-

1 half of a person who accepts  
2 credit cards for payments.”; and

3 (B) in subsection (d)(1), by inserting “, ex-  
4 cept that the Bureau shall not have authority to  
5 enforce the requirements of this section or any  
6 regulations prescribed by the Board under this  
7 section” after “section 918”.

8 (2) EFFECTIVE DATE.—Each set of regulations  
9 prescribed by the Board of Governors of the Federal  
10 Reserve System under paragraph (2) of section  
11 921(b) of the Electronic Fund Transfer Act (15  
12 U.S.C. 1693o-2(b)), as amended by paragraph (1)  
13 of this subsection, shall take effect on the date that  
14 is 180 days after the date on which the Board pre-  
15 scribes the final version of that set of regulations.