

HEARING

OCTOBER 21, 2015



**Opening Statement of
Chairman Steve Chabot
House Committee on Small Business
Hearing: “The EMV Deadline and What It Means for Small Business: Part II”
October 21, 2015**

Good morning, I call this hearing to order.

At the Small Business Committee, we make it our job to understand what’s helping and hurting the small businesses that employ half of the American workforce. We’re interested in hearing more about the transition to EMV chip card technology because it impacts every person who holds a major credit card and the more than 20 million small businesses that accept them.

So how is this transition going? At this time last year, one credit card provider alone had 55,000 merchants who could accept chip cards. As of this September, that number had grown to nearly 400,000 merchants. So we are seeing some progress, but that is still a small percentage of the small businesses in this country.

One of the justifications for this shift in technology is added security. The debate over how we secure the billions of dollars in electronic transactions that Americans complete every day is not static – it requires that we continue to innovate and continue to think strategically about how we protect ourselves.

New technologies hold great promise, but there are no silver bullets. And that’s why this Committee supports innovation in the electronic payments space, and we hope that small businesses will look at new securities as opportunities for better customer service.

We are in the midst of a private-sector transition. Not something mandated by Congress or the Administration, but something initiated by the free market. Any change is hard, but when it impacts millions of people, controversy is inevitable. That’s probably the reason the Small Business Committee’s hearings on the EMV transition are the first of their kind in this Congress and why we’ve had tremendous pushback from all sides. To me, this only confirms that this is the right issue, the right time, and the right venue for a fair, open conversation.

Let me be clear: we are here to examine an issue that impacts every American family with a credit card. We are not here to take sides. To better understand this transition, we need to speak to all those involved – bankers and merchants – and that’s the conversation we continue today. Two weeks ago, we heard from the banks. Today, we’re hearing from the merchants.

So with that, I want to thank the witnesses gathered here today. Your stories help us understand this issue more clearly. Now I yield to the Ranking Member for her opening statement.

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