

December 12, 2011

Chairman Lamar Smith
House Committee on the Judiciary
2138 Rayburn House Office Building
Washington, D.C. 20515

Ranking Member John Conyers
House Committee on the Judiciary
B-351 Rayburn House Office Building
Washington, D.C. 20515

Re: Stop Online Piracy Act (H.R. 3261)

Dear Chairman Smith and Ranking Member Conyers:

We, the undersigned payments entities and payments trade associations – responsible for nearly 90 percent of the 54.89 billion transactions processed by merchant acquirers in 2010¹ -- strongly support the objective of H.R. 3261, the Stop Online Piracy Act (SOPA), to protect American intellectual property. We favor efforts to identify and cease operation of offshore and “rogue” Web sites that sell copyright-infringing and counterfeit products. Payments companies have long fought to prevent the use of our proprietary systems and networks for any illegal or illicit transactions.

As you may know, the U.S. payments system is extremely complex with various – and evolving – operating models. For example, there are 3-party payments systems, 4-party payments systems, and non-traditional payments systems. Each of these systems has multiple entities that play a distinct and critical role in the facilitation of commerce through electronic payment transactions.

Despite our general agreement with SOPA’s intent, we continue to have significant concerns with the current construct of the legislation. SOPA takes an unrealistic approach to addressing the issue of protecting American intellectual property relative to the electronic payments industry. For example, the bill takes a one-size-fits-all approach and attempts to define the entire payments universe as a monolithic organization, rather than as a set of discrete entities that each play a unique and fundamental role in facilitating the use and acceptance of electronic payments.

Given the reality of the complex nature of the payments industry, and given it’s critical nature to the execution of worldwide daily commerce for consumers, businesses, government and non-government entities, we ask for your willingness to engage in a meaningful dialogue with the various entities – including payments networks, acquirers, third party processors, 3-party and 4-party payments systems as well as non-traditional payments systems – to find solutions that produce legislation that we can all stand behind and support.

¹ *The Nilson Report*, March 2011, Issue 967

We stand ready to work with you to find achievable solutions that represent the true intent of H.R. 3261 without imposing unrealistic, unfair and undue burdens on the various entities that constitute the U.S. payments industry.

Sincerely,

Bank of America Merchant Services
Electronic Funds Transfer Association
Electronic Transactions Association
First Data
Heartland Payment Systems
TSYS
Wells Fargo Merchant Services