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SPPI FILES AMICUS BRIEF DEFENDING FEDERAL RESERVE'S DEBIT CARD FEE PROTECTIONS

WASHINGTON, DC—The [Southwest Public Policy Institute](#) (SPPI), alongside the [Pinpoint Policy Institute](#) and the [Taxpayers Protection Alliance](#) (TPA), announced today the filing of a [joint amicus curiae brief](#) in the U.S. District Court for the Eastern District of Kentucky for the case [Linney's Pizza v. Board of Governors of the Federal Reserve System](#). The coalition's brief strongly supports the Federal Reserve's authority to maintain current debit card "swipe fee" regulations under Regulation II.

The litigation, brought by a Kentucky merchant, challenges the Federal Reserve's long-standing 21-cent cap on debit card interchange fees. By intervening, SPPI and its partners aim to defend the delicate regulatory balance that protects the financial ecosystem—ensuring that banks can continue to recover legitimate transaction, network, and fraud-prevention costs while maintaining a stable environment for consumers and community financial institutions alike.

"Defending the Federal Reserve's current framework is essential to maintaining the safety, efficiency, and integrity of our electronic payment systems," said Patrick M. Brenner, President of SPPI. **"A sudden, drastic dismantling of Regulation II would completely disrupt the operational cost structures that allow banks to offer secure debit card services, ultimately harming everyday consumers and small financial institutions."**

The coalition's brief outlines several critical arguments, noting that the Federal Reserve acted well within its congressional mandate under the Durbin Amendment to establish uniform, reasonable, and proportional fee standards. The brief emphasizes that the current 21-cent baseline successfully accounts for necessary issuer expenses—such as authorization, clearance, settlement, network processing, and heavy investments in fraud prevention. Striking down the rule, the coalition argues, would require an unworkable interpretation of the law and impose an impossible administrative burden on the payment network.

The case has taken on heightened significance following the U.S. Supreme Court's landmark decision in *Corner Post*, which allowed older regulatory rules to face new legal challenges if a plaintiff claims a recent injury. As federal courts face conflicting rulings on debit card swipe fees across different states, the joint filing by SPPI, Pinpoint Policy Institute, and the Taxpayers Protection Alliance serves as a critical defense of market stability.

About the Southwest Public Policy Institute: SPPI is a nonprofit free-market think tank dedicated to advancing better living through better policy. More information is available at [southwestpolicy.com](https://www.southwestpolicy.com).

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