



FOR IMMEDIATE RELEASE

October 26, 2026

Media contact: SPPI Press Office

O 202.505.1769 x 8 | press@southwestpolicy.com

SPPI Urges Review After Eighth Circuit Strikes Down Debit Card Fee Cap

SPPI, which filed an amicus brief supporting the Federal Reserve, points to the pending Linney's Pizza appeal

ALEXANDRIA, Va. — The Southwest Public Policy Institute (SPPI) today responded to the Eighth Circuit's decision in *Corner Post, Inc. v. Board of Governors of the Federal Reserve System*, which upheld the vacatur of the Federal Reserve's 21-cent cap on debit card interchange fees and sent Regulation II back to the Board. SPPI and the James Madison Institute filed an amicus brief supporting the Board.

"The court has told the Federal Reserve to price a debit card payment as if the system behind it cost nothing to run," said Gregory A. Schroeder, Executive Vice President of SPPI. "Those costs don't disappear when a regulator stops counting them. They land on checking-account customers, as they did after 2011."

The court read "incremental cost" in the Durbin Amendment as marginal cost and held that the Board may not count costs that do not vary with volume. SPPI's new policy brief, *The Debit Card Cap Goes Back to the Fed*, finds that the ruling already conflicts with the D.C. Circuit's 2014 decision upholding the rule, and that a ruling for the Board in *Linney's Pizza*, argued before the Sixth Circuit on October 22, would strengthen the case for Supreme Court review. The brief recommends that the Board seek rehearing en banc within its 45-day window.

###

About the Southwest Public Policy Institute. The Southwest Public Policy Institute (SPPI) is a 501(c)(3) nonprofit research institute and think tank dedicated to advancing better living through better policy. Learn more at southwestpolicy.com.