

Montpelier, VT - Rep. Peter Welch (VT-AL) today announced he will introduce legislation this week to crack down on the credit card fees imposed on Vermont's small businesses that impact consumer prices.

Welch made the announcement at a convenience store in Montpelier with Vermont retailers and consumers. Welch authored the legislation following up on a roundtable he held in February on the Credit Cardholders' Bill of Rights, which reigns in predatory practices by credit card companies.

"It's time to put a stop to the abusive practices of credit card companies. Consumers are being ripped off. Small businesses are being ripped off. Congress needs to step in and level this playing field," said Welch.

Welch added, "Consumers and merchants are already getting squeezed by higher gas and food prices. They don't need credit card companies reaching deeper into their pockets to increase their profits."

In the United States, credit card fees are the highest in the world, accounting for as much as 2 percent of the cost of every credit card transaction. By comparison, fees in the United States are almost three times more than in Australia (0.7 percent) and four times what consumers and businesses pay in the United Kingdom (0.5 percent).

The average American family pays an extra \$300 a year on items they purchase as a result of credit card fees. These "interchange fees" can add more than 8 cents to the price of a gallon of gas.

Welch's bill, which he will introduce when he returns to Washington, will require credit card companies to disclose their interchange rates, terms, and conditions to consumers, businesses, and the public. In addition, it will empower the Federal Trade Commission to review these rates and rules and prohibit any practices that violate consumer-protection or anti-competitive laws.

The bill will also allow merchants to give consumers who pay in cash a discount and bans penalties for small businesses that process only a small number of transactions.

Welch is also a sponsor of The Credit Cardholders' Bill of Rights, which delineates and protects the rights of all credit card holders.

The Bill of Rights protects cardholders against arbitrary interest rate increases, prevents cardholders who pay on time from being unfairly penalized, and prohibits card companies from imposing excessive fees. For example, it requires companies to give 45 days notice before changing their rates, allowing the consumer to cancel their card if they choose. To make payments more predictable, this bill also protects cardholders from due date gimmicks, empowers them to set limits on their credit, and shields them from misleading terms.

"It's time to end the unfair practices and misleading tactics of credit card companies and restore a fairness that Vermonters deserve," Welch said of the legislation.

Also see: ["Welch seeks to protect consumers from predatory credit card practices"](#) from February 21, 2008.