

[By Neal Goswami](#)

Vermont Rep. Peter Welch is asking his congressional colleagues to reject an effort to delay implementation of credit and debit card swipe fee restrictions on banks.

Welch, a Democrat, first announced legislation at Willy's Variety in Bennington to limit the fee that banks and Visa and Mastercard charge merchants for transactions. A similar provision was eventually included in a sweeping financial reform bill passed last year. The new rules, set by the Federal Reserve, would cap the fee at 12 cents for each transaction, much lower than the current average of 44 cents.

But a number of senators are now backing legislation to delay the implementation of the swipe fee restrictions for two years. A similar House bill would delay it for one year.

"Delay means derail in Washington. It's just a polite way of saying we want to kill this," Welch said in a telephone interview.

Welch and Rep. Bill Shuster, R-Pa., Wednesday sent a letter to their colleagues in Congress Wednesday urging them to reject "myths" when considering legislation that would delay the fee restrictions.

"We're reminding members of Congress why these protections make sense for small merchants," Welch said.

The letter is intended to debunk many of the myths concerning the swipe fee reforms, according to Welch. He said those in favor of a delay claim the issues has not been thoroughly examined. But according to Welch, the issue was the subject of nine congressional hearings and three Government Accountability Office reports.

Proponents of the delay also say the swipe fee reform will hurt small banks, Welch said. But the rules exempt community banks with less than under \$10 billion, he said.

Additionally, "American merchants pay the highest debit card merchant fees in the world because they have no power to negotiate," Welch said. The banks making huge profits and Visa and Mastercard are fighting to save that revenue stream, he said.

"The 10 largest banks make \$8 billion a year on debit fees alone. This is a huge," Welch said. "The fight back is from Visa and Mastercard and the 10 largest banks that have had a sweetheart deal and they want to keep it. It will come at the expense of our local merchants."

"A lot of our small stores, every time they make a sale, Visa and Mastercard make a fast profit. In some cases they make more than the merchant," he added.

Welch said local merchants must speak up if they want the delay to be defeated.

"This is a real fight, and our prospects are going to be significantly impacted by how well our local merchants mobilize so their voices are heard. They don't have the big lobbyists, they don't have the fat wallets," he said. "They've got to be heard because those merchants are in Republican and Democratic districts. This is not a partisan issues. It's basically whether you want to stand up for Visa and Mastercard or whether you want to stand up for small merchants."