

By Nicole Guadiano, Burlington Free Press

Convenience-store operators said Tuesday they need relief from increasing fees charged by credit-card companies every time customers swipe a credit or debit card.

Banks that issue MasterCard and Visa credit cards charge "interchange" fees that merchants say they are forced to pass on to consumers.

"Swipe fees cost Americans more than late fees, over-the-limit fees, annual fees, cash advance fees and ATM fees combined," Hank Armour, president of the National Association of Convenience Stores, said at a news conference.

Visa and MasterCard set the price of interchange fees with their member banks without input from retailers. Retailers say they have no way to tell what the varying charges are for specific transactions.

The House Judiciary Committee will hold a hearing today about a bill that would allow retailers collectively to negotiate voluntary agreements for the fees they are assessed.

Meanwhile, Reps. Peter Welch, D-Vt., and Bill Shuster, R-Pa., have proposed legislation to require that interchange rates be disclosed to consumers and participating businesses.

They want lawmakers to make the proposal part of the financial reform bill the Senate is considering, noting 3.7 million consumers have signed merchants' petitions for reform.

"The Senate must listen to 3.7 million Americans by increasing disclosure, increasing transparency and most importantly, increasing competition," Welch said at the news conference.

Welch said he also plans to introduce legislation to significantly reduce interchange fees from the use of debit cards.

Card-issuing banks have long fought legislation to rein in interchange fees, saying the fees help pay for infrastructure expenses and security. In a Tuesday letter, the American Bankers Association and other banking trade groups urged members of the House Judiciary Committee to oppose legislative efforts to regulate interchange rates.

"All of these retailer profit-seeking initiatives fail to recognize that electronic payments are not just a substitution for cash payments, but provide consumers, merchants and the economy with many more benefits, for which there is a cost," the letter states.

Credit-card-reform legislation that became law last year did not target interchange fees. In 2007, U.S. consumers paid more than \$42 billion in credit-card interchange fees, more than twice the cost of late fees, according to the Merchants Payments Coalition, a group representing retailers. The fees increased 133 percent between 2001 and 2007.