

News Script

19} *WELCH_GREEN*

Expect to pay more -- the next time you shop at a local convenience store. Rising credit card processing fees have merchants feeling the pinch -- and they're forced to pass on some of those costs to you. Darren Perron has more in our consumer watch ... Marselis -- More than half of us use credit cards -- when we stop at the store. And every time we do -- it takes a bite out of the store's bottom line. Vermont's lone Congressman says they're getting ripped off -- and it's time for a crackdown on credit card fees.

20} *WELCH_PKG*

((store nats -- cashing out)) Kurlee's Fuels sells much more than gasoline. ((grabbing items)) The tiny Montpelier store is stocked with munchies -- and other grab-and-go items. ((nats -- swiping)) About half the customers -- pay with credit cards -- regardless how big the bill. ((LINDSAY KURRLE/Kurlee Fuels Owner: 18:54 We've seen the use of credit cards continue to rise both in the number of cards used and the dollars being charged. 20:11 I don't think people are carrying cash in their pockets like they once did. They've got the plastic and it's much easier.)) But each time a customer swipes a card -- it costs Kurlee's. Credit card companies charge stores flat fees per swipe. On top of that -- the credit card companies get a percentage of the sale -- up to six percent in some cases. ((22:21 KURRLE: It's a huge chunk for us.)) Try 5-6 THOUSAND dollars a month in credit card transaction and processing fees at Kurlee's. ((KURRLE: 21:39 In a year, we're paying about 60-thousand dollars.)) Since 2001 -- Vermont retailers have seen credit card fees and charges jump dramatically -- 117-percent. ((nats -- store or gas)) In some cases -- the fees are higher than the profit on items sold. So, stores are actually LOSING money. ((15:49 TASHA WALLIS: Vt. Retailers Assn: It's a tremendous cost to retailers. Those costs are then passed on to consumers.)) That means YOU'LL pay more for items purchased. ((REP. PETER WELCH/D-Vermont: 11:11 Our mom and pop stores are getting ripped off with these credit card fees.)) Congressman Peter Welch says VISA and Mastercard basically monopolize the credit industry in the U.S. ((WELCH: 13:10 Our folks are getting charged four times what they are in many other countries.)) He outlined legislation -- taking aim at all credit card companies -- with merchants, the Vermont Retailers Association and Grocers Association at his side. ((REP. PETER WELCH/D-Vermont: 11:58 Enough is enough.)) Welch's bill calls for more transparency -- forcing credit card companies to disclose the terms of agreements. It would also give more authority to the Federal Trade Commission -- allowing for fee negotiations with companies and better oversight of the companies. ((nats -- sale)) And it would give stores

the ability to offer discounts -- if customers pay with cash. Current contracts with credit card companies forbid that.

21} *WELCH_TAG*

For most stores getting rid of credit card machines is not an option. The Vermont Retailers Association says in this modern economy -- you need to take credit cards to stay in business -- because people who use plastic will just drive to another store instead. And get this -- you know when you have to swipe your card twice -- if it doesn't go thru the first time -- well -- that means the store will be charged twice. Marselis? Now Darren, this is not a new argument. Store have been complaining about this for a few years now. Why does the Congressman think there will be movement on this legislation? Because of the tough economic times. He says there's enough people complaining about how hard it is to make a living -- that Congress is listening