



April 25, 2017

President Donald J. Trump
1600 Pennsylvania Ave NW
Washington, DC 20500

Dear President Trump:

Please allow this letter to serve as an introduction to the ATM Industry Association (ATMIA) and the critical role it plays in our nation's payments infrastructure.

ATMIA had its beginnings in the United States as a non-profit trade association representing only independent ATM owners and operators. Today, ATMIA has grown to become a global organization representing all ATM industry stakeholders, with about 8,000 members from 700 organizations in 65 countries. Our role has been recognized in this Wikipedia entry (<https://en.wikipedia.org/wiki/ATMIA>) in our 20th anniversary year of service to an industry which has spawned over 3 million ATMs worldwide, including more than 400,000 in the US alone.

Established in 1997, ATMIA has authored more than 30 different best practices manuals on a variety of ATM topics, offers members access to an ATM operations learning platform, and hosts numerous committee groups to address industry issues and keep members informed. We also take a leadership role in the industry's engagement with local and federal regulators, as well as the Federal Reserve.

Over the past few months, our U.S. regional committee groups have all been asked to identify which specific industry issues are of the highest importance and in the most need of attention. That feedback included our Government Relations Committee, Financial Institution ATM Deployers Forum, Independent ATM Deployers Committee, and U.S Regional Advisory Board. There was a significant degree of consensus on three primary concerns:

- A permanent end to "Operation Choke Point"
- Restructuring and reform of the CFPB
- Repeal or reform of Dodd-Frank and the Durbin Amendment (Reg II)

A complete and permanent end to the initiative known as "Operation Choke Point"

Operation Choke Point certainly began with laudable intentions, but quickly became a runaway train crashing into hundreds of legitimate businesses. ATM operators with stellar financial histories began seeing decades-old banking relationships terminated for no apparent reason.

Although regulators indicate that this practice has been ended with regard to ATM operators, the regulatory system has a long "memory". It would appear that not all field bank examiners have suspended this practice. And larger banks in particular, are still quite sensitive to the additional compliance burdens recently placed on them relative to ATM and other cash-intensive businesses.

ATMIA requests your administration's assistance in achieving a final and complete end to "Operation Choke Point". ATMIA supported Rep. Blaine Luetkemeyer's *Financial Institution Customer Protection Act*, H.R. 766, last year and hope that it will be reintroduced.

Restructuring and reform of the CFPB leadership and funding

ATMIA acknowledges the need for a Consumer Financial Protection Bureau, in some form. However, we have grave concerns over the current leadership structure and funding mechanisms. Observations of the CFPB's activities reveal an agency that has a tendency to dismiss the value of fundamental market forces and over-regulate the sectors within its purview. The bulk and complexity of the yet-to-be-implemented prepaid account rule is a good example.

ATMIA supports the calls for the CFPB to be brought into a budgetary and funding process that is more typical for this type of agency – Congress should have greater control of its purse strings. In addition, ATMIA supports a change in CFPB leadership, from a single Director to a 3-person or 5-person panel/commission.

Repeal or reform of Dodd-Frank and the Durbin Amendment (Reg II)

In the view of most ATMIA members, Dodd-Frank is an exceptionally poor piece of legislation. Nevertheless, ATMIA has not taken a specific position on whether it should be repealed or reformed. Instead, we would like to make your administration aware of our industry's concerns, regardless of the approach.

The ATM industry is very heavily regulated – both financial institutions and independents – by a plethora of agencies, as well as the global card schemes. Some legislators, as recently as late last year, have called for caps on ATM convenience fees (surcharges). The market has done an excellent job of holding down these fees – those assessed by independents, on average, are less than those by banks. Arbitrary restrictions can quickly put the viability of independently operated ATMs at risk. We hope that the Trump administration will oppose any legislation that interferes with free market approaches.

With regard to the Durbin Amendment, ATMIA did participate in the industry commentary period, leading up to the finalization of Reg II. Unfortunately, the ATM channel is not well understood – even by most in the payments industry. Requirements for two unaffiliated payment networks on debit cards and a prohibition on interference with payment routing choice were put in place for merchants. ATM operators, however, were specifically excluded from those rules. Should Dodd-Frank or the Durbin Amendment be reformed or replaced, ATMIA requests your administration's support for requiring that ATM/Debit cards include two unaffiliated domestic ATM networks, and that networks are prohibited from interfering with ATM operator routing choice.

As a final philosophical point, we wish to draw the President's attention to the dangers of the on-going war against cash perpetrated by the global card brands and other anti-cash lobbyists who wish to restrict the choice of payment methods available to consumers and businesses by eradicating cash. It is commonsensical to anyone who knows anything about the history of money and the ongoing global popularity of cash, either as a payment method or a store of value, that the safest and fairest dispensation for a modern society is to allow for a happy coexistence between cash and non-cash forms of money. That is the only way in which freedom of choice can be preserved in the payments space.

April 25, 2017
President Donald J. Trump
Page Three

ATMIA would be pleased to provide further input on the ATM industry and on any of these issues.
Please do not hesitate to contact me at any time.

Thank you for your consideration of our concerns.

Most sincerely,

ATMIA

A handwritten signature in blue ink, appearing to read "David N. Tente". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

David N. Tente
Executive Director, USA

Cc: Sen. Bill Nelson
Sen. Marco Rubio
Rep. Stephanie Murphy
Sen. John Thune
Sen. Mike Rounds
Rep. Kristi Noem
Sen. Michael Crapo
Sen. Richard Durbin
Rep. Jeb Hensarling
Rep. Blaine Luetkemeyer
Dir. Matt Eichner