



ATMIA Advocacy Efforts at Full Throttle

An ATMIA member update on U.S. state and federal level issue advocacy

Advocacy is a critical dimension of the ATM Industry Association (ATMIA) global mission. The [U.S. Defense Fund](#), Europe Advocacy Fund, and Canada Legal Fund all operate independently and benefit only the members in their home regions. In the U.S., member dues and Defense Fund contributions support monitoring of, and advocacy for, both state and federal regulatory issues. \$25,000 will be donated from the proceeds of this year's US conference to US advocacy programs.

ATMIA USA Advocacy Overview – First Half of 2017

Recent advocacy efforts have been exceptionally intensive and span the breadth of city, state, and federal regulatory regimes. Key efforts are highlighted below:

Federal advocacy

- Letter to the new Trump administration identified specific issues that are of the highest importance.
 - The need for a permanent end to “Operation Choke Point”
 - A call for restructuring and reform of the CFPB
 - Desired outcomes of any repeal/reform of Dodd-Frank and the Durbin Amendment
- Meetings with the Federal Reserve Board of Governors Payment Systems team to discuss the need for ATM operator routing choice and concerns over the impact of EMV migration.

State and city advocacy

- Letter sent to oppose an amendment to Illinois HB 1274.
 - Bill would now cap the total fee for an ATM transaction at \$1.00
- Opposition letters sent regarding two similar measures that would limit ATM vault cash to \$2,000.
 - Motivated by recent ATM thefts
 - First introduced by Cleveland City Council, then in the state legislature
- Opposition to New York City Int 1406-2016, which implements new business and security requirements for non-bank (retail) ATMs.
 - Letter of opposition sent to measure's sponsor
 - ATMIA provided testimony in opposition during a public hearing

Puerto Rico advocacy

- A proposed bill (PS 190) is targeting non-bank ATM operators for imposition of onerous new requirements and a \$500/year/per ATM registration fee.
 - ATMIA is managing an engagement with a lobbying group, on behalf of the IADs and others who do business on the island
 - Seeking defeat of the bill or adoption of specified amendments

Federal advocacy

In a [recent letter](#) to the new Trump administration, ATMIA introduced itself as the representative of all ATM industry constituents and identified the specific issues that are of the highest importance and in the most need of attention. Members of our Government Relations Committee, Financial Institution ATM Deployers Forum, Independent ATM Deployers Committee, and U.S Regional Advisory Board came to a consensus on three primary concerns:

- The need for a permanent end to “Operation Choke Point”
- A call for restructuring and reform of the CFPB
- Desired outcomes of any repeal/reform of Dodd-Frank and the Durbin Amendment

“Operation Choke Point” has been a virtual train wreck for some ATM operators; destroying decades-old banking relationships. Rep. Blaine Luetkemeyer’s [Financial Institution Customer Protection Act of 2016](#) (H.R. 766) would have provided significant relief. In fact, ATMIA met with the Congressman the very morning that the bill passed a House vote last year. Unfortunately, it did not progress any further. Rep. Luetkemeyer is now Chairman of the House Financial Services Committee. ATMIA will be meeting with the Chairman next month in support of his efforts to re-introduce the bill this year, as it still enjoys strong support.

Although the Federal Reserve Board of Governors does not pass the laws, they do make the rules. Which is why ATMIA has been [meeting with their Payment Systems team](#) since 2014 – most recently on April 6th – to discuss the need for ATM operator routing choice and concerns over the impact of EMV migration.

Today, Durbin Amendment rules (Reg II) prohibit debit networks from interfering with merchant payment routing choice. As a result, both merchants and card issuers (banks) can influence transaction costs set by the networks – which fosters a very competitive environment. However, Durbin Amendment rules do not prohibit ATM networks from dictating transaction routing – which means that networks and card issuers are free to create bilateral agreements that disenfranchise the ATM operator and significantly stifle competition between networks.

If Dodd-Frank and/or the Durbin Amendment are repealed or reformed, it may present a great opportunity to broaden competition between ATM debit networks and reduce costs for all ATM operators.

State and city advocacy

It would seem state legislators have been working overtime this year. So far, ATMIA members have received 278 alerts to proposed ATM-related legislation in 28 states, from coast to coast. Last year produced less than 200 alerts, and 2015 only 302 for the entire year.

Perhaps the most egregious state proposal is for an amendment to Illinois HB 1274, which would limit the total of surcharges, convenience, and bank out-of-network fees to a total of \$1.00 per ATM transaction. On April 12 ATMIA sent a [letter to Rep. Arthur Turner](#), the measure’s primary sponsor, explaining the disastrous impact it would have on consumer access to cash in Illinois. The amendment faced a flood of opposition and is not likely to progress any further.

A Cleveland City Council proposal late last year to establish requirements for ATM installations and placement within retail locations, as well as a \$2,000 limit on vault cash, was followed by a similar proposal in the Ohio legislature this past March. Both measures were aimed at reducing the number of ATM thefts. Letters from ATMIA to [Councilman Anthony Brancatelli](#) and [Ohio Rep. Tom Patton](#) explained that the proposed actions would have little impact on crime, but significantly increase ATM operators’ costs – putting the viability of

most retail ATMs (and convenient consumer access to cash) at risk. Both measures now seem to have stalled after stiff opposition.

Earlier in the year, The New York City Council proposed requiring ATM operators to check their terminals for skimmers at least once every 24 hours. And to restrict how ATMs are installed and where they are placed within a retail establishment. ATMIA was represented at a January public hearing by its Government Relations Committee co-chair. Int 1406-2016 applies only to nonbank (retail) ATMs.

Other state activities that we are closely monitoring include:

Massachusetts – new ATM user security bill that imposes a plethora of new requirements; including a dedicated 911 line, a 20-foot clear space around ATMs, locking entry doors, mirrors, and cameras.

New Jersey – new requirements to inspect ATMs daily for skimmers and to display a label regarding those inspections.

Wyoming – potential changes in ATM licensing fees.

Puerto Rico advocacy

A bill in Puerto Rico (PS 190) is being proposed that would require criminal background checks and other detailed personal information about each party with an interest in an ATM business, as well as additional security requirements. An annual registration fee of \$500/ATM would also be assessed. ATMIA is managing an engagement with a lobbying group (Miramar) in Puerto Rico, on behalf of the IADs and others who do business on the island.

The preferred outcome is that the bill be defeated or die in committee. IADs have expressed their willingness to consider a more reasonable measure that would regulate the individual business entities rather than terminals. However, the group has agreed internally on two amendments that would make it more palatable. Although the bill is designed to target non-bank ATMs, it does impact bank ATMs which are outsourced to independents. It is hoped that once this fact is more clearly understood, that some banks and co-ops will join the opposition.

Miramar has reached out to key senators to discuss the flawed premises on which the bill is based and the dire consequences which would be brought upon consumers, should the bill be enacted as it is currently drafted. The senators have requested that we provide them with our proposed amendments, and assured us that they will be considered for introduction on the floor, should the bill make it that far.

Bills that ATMIA is supporting

Proposed state legislation that ATMIA is supporting includes:

Minnesota S.F. 803 – stipulates that a person is guilty of unauthorized computer access if the person intentionally and without authorization attempts to or does penetrate a computer security system or electronic terminal. The definition of “electronic terminals” includes ATMs.

Wisconsin A.B. 196/S.B. 133 – stipulates that any person who owns or is responsible for an automated teller machine is immune from civil liability for the unauthorized access, storage, or use of credit card information by another person by means of a credit card encoder or scanning device that has been installed on his or her machine.

New York S.B. 6350 – states that the installation and operation of automated teller machines does not constitute engaging in another business in reference to doing business in wine and liquor stores.

ATMIA member compliance and legislative monitoring services

ATMIA has partnered with Stateside Associates to provide a compliance profiles service, which was launched in 2013. The program was so successful, it was expanded in 2014 and again in 2015 to include legislative alerts.

ATMIA members have access to ATM Compliance Profiles for all 50 states, the District of Columbia, and Puerto Rico. These profiles, which are updated annually, represent current law with regard to ATM compliance. Parameters for determining which requirements are included in the profiles are set by ATMIA member-experts, and also reviewed annually.

Current law is broken down into six categories – ATM Licensing, ADA, Access and Security, Signage and Notices, Surcharges and Other Fees, and Government Assistance (TANF/EBT). Requirements can be retrieved either by state or by issue.

Members can also sign up for Legislative Alerts. Any proposed legislation that might impact ATM owners/operators/acquirers will generate an alert when it is first introduced. Additional alerts are generated each time the bill moves through the legislative process or is the subject of further action of any kind. Alerts typically contain the following information:

Identifying information	This is simply the state, bill ID, and the category it falls into, as defined by ATMIA. Categories include TANF/EBT, security, licensing, etc. The bill’s sponsor is also listed, including political party affiliation.
Summary	Stateside Associates creates a summary of the proposed legislation, which may include information such as its intent, what it does, what changes it proposes to an existing law, etc. Summaries can be fairly lengthy.
Document links	Links to related documents are usually provided. These may include the text of the proposed bill, current or past versions of the proposed bill, and/or the text of proposed amendments.
Status	Indicates when the bill was introduced; dates of any hearings or committee referrals; dates of any upcoming actions; failed deadlines; etc.
Outlook	This section may often contain the most useful information of the entire alert. Stateside Associates includes their assessment of the outlook for this bill, based on its history, the political climate, the legislative “logistics” of this particular state, etc.

More information about ATMIA and member benefits is available on the [ATMIA website](#) or by contacting any of our [staff members](#).