



April 12, 2017

Arthur Turner
109 Capitol Building
Springfield, IL 62706

RE: HB 1274

Dear Mr. Turner:

It has come to our attention that an amendment has been proposed 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. As an independent voice of the industry, the ATM Industry Association (ATMIA) would appreciate the House's consideration of our input on this matter, in the best interests of both the industry and the state.

ATMIA is a global, non-profit trade association representing all ATM industry stakeholders, with about 8,000 members from 700 organizations in 66 countries. 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 issues and keep members informed.

There is a considerable amount of confusion in the press about ATM surcharges and other fees. Many reports conflate the convenience fee charged by the ATM operator (which may be a financial institution or independent business) and the other fees that the ATM user's bank may include in their monthly statement – typically some sort of out-of-network fee. The only fee that independent ATM deployers (IADs) control, or have any visibility to, is the convenience fee.

On average, convenience fees at independent ATMs nationwide average about \$2.40. Those for banks are a bit higher, but typically under \$3.00. Even adding in out-of-network fees, we rarely see the numbers quoted in the statement below.

"ATM fees have been going up for the past 10 years, the average out of network ATM fee is close to 5 dollars right now. And if you have to pay another fee from your bank on the other end for using an out of network ATM you can reach fees as high as \$7 to \$10 just for withdrawing money from your bank."

In the case of an ATM in a retail establishment, most of that \$2.40 fee goes to the merchant as reimbursement for having an ATM in the store and perhaps some basic maintenance tasks – loading receipt paper, cleaning, etc.

Implementing such a restriction on ATM fees would have a rapid and deleterious impact on small retail businesses and ATM operators across the state of Illinois. Lower transaction volume locations in particular would be at risk. It would unquestionably result in the loss of ATMs, reducing consumer options for convenient access to cash.

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The removal of ATMs from retail locations impacts the merchant in two significant ways. First, they lose the revenue provided by the ATM. Second, they lose sales volume. Studies have shown that the presence of an ATM in a retail location can increase sales volume as much as 65%.

The worst-case scenario is that this amendment causes the elimination of all off-premise ATMs in Illinois (both bank and independent). It is reasonable to project that only financial institutions would be able to justify deployment of ATMs – and then, only for use by their own customers.

Our industry is a very complex one and already subject to an incredible level of regulation. Changes that may seem from the outside to be inconsequential to how a small merchant or ATM operator runs his business, can easily threaten the life of that business.

ATMIA hopes that the information contained in this letter will be carefully considered as part of any deliberations over new regulations for ATM operators in the State of Illinois. ATMIA is also happy to assist in providing additional information and input regarding ATMs and the ATM industry.

Most sincerely,

A handwritten signature in blue ink, appearing to read "David Tente", with a long horizontal flourish extending to the right.

David N. Tente
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The ATM Industry Association (ATMIA)
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Cc: ATMIA Government Relations Committee