SENATE DOCKET, NO. FILED ON: 1/12/2009

**SENATE . . . . . . . . . . . . . . No.**

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The Commonwealth of Massachusetts

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PRESENTED BY:

**Mr. Petruccelli**

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*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General
 Court assembled:*

 The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

Memorializing the Congress of the United States to address the escalating electronic payment interchange rates that merchants and consumers are assessed. .

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

PETITION OF:

|  |  |
| --- | --- |
| Name: | District/Address: |
| Mr. Petruccelli | First Suffolk and Middlesex |

The Commonwealth of Massachusetts

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

In the Year Two Thousand and Nine

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**RESOLUTIONS**

**MEMORIALIZING THE CONGRESS OF THE UNITED STATES TO ADDRESS THE ESCALATING ELECTRONIC PAYMENT INTERCHANGE RATES THAT MERCHANTS AND CONSUMERS ARE ASSESSED.**

 **Whereas**, improved technology combined with consumer convenience has caused A RISE in credit and debit card electronic payment systems, and

 **Whereas**, in order for merchants to accept these payment systems, merchants are required to enter into an unfair contractual relationship with the credit card companies and their member banks, and

 **Whereas**, in exchange for the electronic payment system, merchants must pay interchange fees and these interchange fees are usually hidden and not disclosed to the consumer, and

 **Whereas**, the interchange fees are ultimately passed on to the consumers, including those who pay with cash or a check and who, in effect, subsidize rewards given to credit card customers, and

 **Whereas**, the number of rewards cards in circulation is rapidly increasing, and the new rewards cards carry higher interchange fees and therefore, are more costly for both merchants and consumers, and

 **Whereas**, merchants are contractually obligated to accept all cards from a credit card issuer and may not refuse payment from a card charging higher interchange rates, and

 **Whereas**, the interchange fees, including those paid on food and gasoline, are typically almost double the profit margin of the merchant, and

 **Whereas**, traditional economic models are not applicable because merchants are forced to accept contractual terms dictated often without notice or recourse, and

 **Whereas**, small businesses struggle to absorb the constant increases in the cost of accepting electronic payments, and

 **Whereas**, it is advantageous that economic models facilitate a highly competitive marketplace, and

 **Whereas**, the increased consumer use of electronic payments requires Congress to assure the existence of a highly competitive and vibrant market that promotes an economic playing field that is fair to consumers, merchants, and card providers, now therefore be it

 **Resolved**, THAT THE MASSACHUSETTS STATE SENATE, ON BEHALF OF THE CITIZENS OF THE COMMONWEALTH, urges Congress to address the current anticompetitive nature of credit and debit card interchange fees charged to merchants and consumers, and be it further

 **RESOLVED**, THAT A COPY OF THESE RESOLUTIONS SHALL BE TRANSMITTED FORTHWITH BY THE CLERK OF THE SENATE TO BARAK OBAMA, PRESIDENT OF THE UNITED STATES, TO THE MASSACHUSETTS CONGRESSIONAL DELEGATION, AND TO THE UNITED STATES CONGRESS.