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BY ELECTRONIC MAIL

The Honorable Representative Dan Ortiz
Room 513 Capitol Bldg.
Juneau, AK 99801
Rep.Dan.Ortiz@akleg.gov

Re: House Bill 044; Automated Teller Machines; Fees

Dear Representative Ortiz & Fellow Members of the Alaska Legislature:

This letter is written on behalf of The National ATM Council, Inc. ("NAC"), including our Alaska ATM owner/operator members and the many Alaska merchants and consumers they are privileged to serve, to express our strong support for your recently introduced measure, House Bill 044. We wanted to extend our sincerest thanks and appreciation to you for sponsoring and re-introducing this important and necessary legislation.

As you are aware, this measure would resolve a current glitch in Alaska state law that unfairly and needlessly prevents the State's ATM providers from charging a customary user surcharge for ATM withdrawal transactions made using an "international" debit/credit card issued by a bank chartered outside of the U.S. Today, this circumstance exists solely because of the inadvertent interplay between the global financial networks' (VISA/MasterCard) rules and current Alaska state law.

As a result, local Alaska ATM companies have been needlessly precluded from earning a reasonable fee for providing ATM services to international visitors that use ATMs while in the State. This effectively results in international cardholder transactions at ATMs throughout Alaska being subsidized by local Alaskan cardholders – for no good reason or sound policy purpose.

To our best knowledge and belief, Alaska is the only state remaining in the U.S. with this unintended restriction remaining in its state statutes. HB044 provides an appropriate and non-controversial vehicle by which to end this disparity and implement an appropriate legislative resolution – one that already passed muster last session. The predecessor bill to HB044 (HB350) moved through the process on an unopposed basis during the 2018 Session, but simply ran out of time before final passage could be achieved.

Given the foregoing, NAC respectfully requests that the current measure, HB044, be afforded expedited handling to ensure that it will have adequate time to traverse the entire process this Session before Sine Die. There being no stated opposition or rational basis upon which to deny Alaska's ATM providers the relief afforded by HB044, the measure should be swiftly and effectively approved.

As noted last year, when Alaskan's travel to other countries and withdraw cash from ATMs there, they are charged a reasonable fee for the transaction. All that HB044 does is level this playing field to allow Alaska's ATM companies to do the same when the shoe is on the other foot. As with all other ATM-imposed surcharges, these fees will be disclosed on the ATM screen and displayed to the

consumer at the time of the transaction, offering an opportunity to opt out if the fee is deemed excessive by the cardholder. The widespread availability of ATMs and these disclosure requirements continue to ensure that ATM owner-imposed fees are reasonable and market driven.

As also previously pointed out, these very same transaction fees are applied to all other debit/credit card transactions involving U.S. based bank card transactions, just not on these international cards because of the glitch. The current legislation would remedy this disparity and provide a reasonable return to Alaska's ATM owners/operators for providing the very same services with respect to international transactions, no more and no less.

HB044 will also further a valid and important public policy, as shown by the most recent independent study of ATM deployment in America (attached). This research report demonstrates the ongoing importance of widespread cash availability to our daily national and local economies. The report also shows how Independent/retail ATMs now constitute a full sixty percent (60%) of all the ATM terminals in the U.S., and how these are the ATMs that provide access to cash in the lower socio-economic communities across our nation, from inner city urban to smaller rural areas, where there are no proximate banks or bank ATMs. The report also notes how these ATMs are providing a vital form of access to EBT public support benefits for our most vulnerable citizens.

The merits of HB044 were fully and effectively vetted last Session by this esteemed body. The measure is without objection and has the signoff of Alaska's resident ATM providers and the global financial networks. Accordingly, NAC respectfully requests that HB044 be taken up at the earliest opportunity for consideration and prompt passage.

Thank you once again, Representative Ortiz, for your sponsorship of HB044 and for the ongoing efforts of you and your Staff to secure relief on this issue for Alaska's ATM providers/merchants, to the ultimate benefit of all your constituents and the Great State of Alaska.

Respectfully Yours,

/s/ Bruce Wayne Renard

Bruce Wayne Renard, Executive Director – NAC