On April 1, 1996, the two largest Automated Teller Machine (ATM) switching networks, VISA's Plus and Mastercard's Cirrus, followed the lead of several regional ATM networks and ended their prohibition against member banks surcharging non-accountholders using their ATMs. The surcharge is in addition to the "off-us" or "foreign" fee over 80% of banks already charge their accountholders to use another's ATM. Surcharging is not only anti-consumer, it is also anti-competitive, since it primarily benefits bigger banks, at the expense of small banks and credit unions. PIRG and Federal Reserve studies have documented that bigger banks charge higher fees than small banks; since surcharging leads to fewer low-cost competitors, all consumers will pay.

This PIRG national survey, done in March 1999, compares surcharging practices at 336 banks and 31 credit unions to the results of PIRG's spring 1998 report "Big Banks, Bigger ATM Fees."

This 1999 PIRG report finds that the number of banks imposing surcharges has increased dramatically in the past year to 93% of all banks. Compared to PIRG's 1998 report, overall surcharging by banks has increased 31%. An unprecedented 95% of big banks now surcharge. Big banks, which have the vast majority of all machines, impose higher surcharges, and surcharge at higher rates.

The survey findings are deeply troubling, especially against the backdrop of record bank mega-mergers and a seventh straight year of record bank profits. Meanwhile, many banks that were once surcharge opponents -- such as Citibank, Chase and several large California banks -- are now surcharging. Disappointingly, as this survey shows, growing numbers of small banks and even some credit unions are surcharging. Powerful bank lobbyists continue to stymie Congressional and state attempts to ban surcharges. Although the Massachusetts legislature has moved a surcharge ban (unanimously) through its Senate, the House speaker refuses to schedule a vote on the bill. Last month, the state's two largest banks, Fleet and BankBoston, announced a merger which will allow them to control well over half of the state's ATMs.

On the positive side, early results in court battles over the Iowa and Connecticut administrative surcharge bans have upheld those bans. According to Congressional testimony by the Connecticut Attorney General, that state's ATM surcharge ban has not diminished a growth in the availability of ATMs. The numerous state legislative battlegrounds -- where at least 25 states have considered ATM surcharge ban legislation in 1997, 1998 or 1999-- have broadened to include City Councils. In the fall of 1998, the Philadelphia City Council approved an ordinance, subsequently vetoed, to remove city money from banks that surcharge. Although a coalition of consumer groups and
unions lost a surcharge ban vote in the San Francisco Board of Supervisors in February, they plan to continue the fight. And, as the result of a U.S. Department of Justice investigation, ATM networks owned by big banks have eliminated illegal rules that prevented small banks from competing by forming selective surcharge zones. Members of the Sum Network (MA), for example, only surcharge non-Sum customers, but don't surcharge each others' customers, enabling them as a group to offer many more non-surcharging ATMs. This prevents their customers from switching to bigger banks to avoid surcharges.

**FINDINGS**

**SIGNIFICANT INCREASE IN PERCENTAGE OF BANKS SURCHARGING**

Before April 1996, surcharging was only allowed in 15 states. It is now allowed in 48 states and the District of Columbia. Surcharging rates have increased dramatically in just three years. Surcharging is prohibited in Connecticut and Iowa.

- In March 1999, according to this PIRG report, 93% of 336 banks in 23 states and the District of Columbia surcharged non-accountholders.
- The percentage is 31% higher than the 71% found in PIRG's April 1998 report, "Big Banks, Bigger ATM Fees."

**Big Banks**

- The percentage of big banks imposing surcharges increased from 83% to 95%, compared to PIRG's 1998 survey.

Big banks own the majority of ATMs. For example, Nationsbank has over 6,000. Out of the approximately 9,000 banks nationwide, the 300 largest control nearly two-thirds of all deposits, according to the Federal Deposit Insurance Corporation (FDIC). We define those as "big" banks.

**Small Banks**

- From 1998 to 1999, small bank surcharging rates increased from 65% to 91%, compared to PIRG's 1998 survey.
Credit Unions

- PIRGs also surveyed 31 member-owned credit unions and found that 42% imposed surcharges in 1999, up from only 13% in 1998.

**AVERAGE SURCHARGES INCREASE**

The survey found that big banks impose higher surcharges.

- For all banks, the average ATM surcharge increased to $1.37 in 1999, up from $1.23 in PIRG's 1998 survey.
- Big banks imposed average 1999 surcharges of $1.42 and small bank surcharges averaged $1.30. Credit union surcharges averaged $0.98.

**OFF-US FEES CHARGED OWN CUSTOMERS INCREASE**

ATM surcharges must be added to the "off-us" or "foreign" fee nearly all banks now charge their own customers to use another owner's ATM. Some banks may also impose an annual fee for an ATM card. Some of these banks may provide 5 off-us transactions each month for "free." Credit unions often provide a similar number of free transactions, even without an annual ATM card fee.

- In 1999 the survey found 97% of banks imposed off-us fees averaging $1.20 on their customers using other owners' ATMs.
- Nearly all big banks (99%) charged their own accountholders off-us fees averaging $1.32 to use other ATMs.
- Similarly, 95% of small banks charged their own accountholders off-us fees averaging $1.01 to use other ATMs.
- Banks that imposed surcharges had higher ($1.20) off-us fees on their own customers than banks that didn't impose surcharges ($1.00).
Surcharging by big banks, which own the most machines, poses a serious competitive threat to smaller banks and credit unions, which usually offer a good low-priced alternative for consumers. But if enough small bank customers switch accounts to big banks to avoid surcharges, then the big banks, facing less competition, will raise the fees they charge their own customers even more.

Small banks and credit unions attack surcharges as not only anti-consumer, but anti-competitive.

A portion of this off-us fee, known as the interchange fee, already is used to compensate the ATM owner and the ATM network. Banks that don't charge "off-us" fees still pay interchange fees, but choose to offset the costs, rather than charging their own customers. For example, the bank earns income from interchange fees received for use of its own ATMs.

Increasingly, it must be noted, banks are aggressively replacing plain ATM cards with ATM "debit" or "check" cards. Banks that have provided ATM cards for free anticipate being able to charge fees for these enhanced cards, which allow merchant and telephone order use as well as cash withdrawals and give the bank merchant fees as well as consumer fees. The cards pose certain liability risks to consumers since they can be used without a secret PIN code. [See PIRG's Fact Sheet "Debit Cards."]

In 1999, PIRG found the most common surcharge increased from $1.00 to $1.50, found at 57% of all banks, up from 40% of banks in 1998. The second most common surcharge was $1.00, found at 21% of banks, down from 49% of all banks in 1998. Surcharges ranged from 50 cents to $2.50.

According to GAO, banks owned 132,000 ATMs in January 1998 and averaged 1,023 off-us ATM transactions per machine per month (the increase in the number of ATMs has resulted in a decline in per-ATM transactions).
• At a 95% surcharging rate at $1.37/transaction, this corresponds to annual ATM surcharge revenue of approximately $2.1 billion.

GAO also reports that big banks own the most machines, giving them the most income. GAO reports that the 76 largest banks owned a median of 440 ATMs, the next 414 largest banks owned a median of 43, and the 7,700 smaller banks owned only 3 each. The 76 largest banks owned 37% of machines and the next 414 large banks owned 32%. So, the 490 largest banks own over two-thirds of all ATMs. [U.S. General Accounting Office, April 1998, Report to the Chairman, Senate Banking Committee, "ATMs: Survey Results Indicate Bank's Surcharge Fees Have Increased, GAO/GGD-98-101]

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BANK PROFITS UP AGAIN

In 1998, banks recorded their seventh straight year of record profits. According to the most recent FDIC data, released last month, full-year industry earnings totaled $61.9 billion, up 4.7 percent from 1997 results. However, fee income is growing more rapidly. Non-interest income, including ATM fee income, rose to $19.4 billion, an increase of 18.4%. [Commercial Banking Performance, Fourth Quarter 1998, Federal Deposit Insurance Corporation, (FDIC), as quoted by the Associated Press, 15 March 1999, "Bank Profits Up 4.7%," Marcy Gordon, AP.]

BANK FEE STRATEGY

Revenue from ATM surcharges is a major part of the big banks' three-part strategy to boost fee income. Big banks are:

(1) **Increasing existing fees:** PIRG's 1997 report, Big Banks, Bigger Fees," found a growing gap between fees charged by big and small banks. The results are paralleled by the Federal Reserve, which has found that multi-state (big) banks charge "significantly higher" fees than locally owned banks. [Federal Reserve Board Annual Report To The Congress on Fees and Services of Depository Institutions, June 1997 and June 1998.] In testimony to the House Banking Committee, Federal Reserve Board Chairman Alan Greenspan reported he was "troubled" by rising bank fees. [11 Feb 1999, in answer to question from member.]

(2) **Inventing new fees such as the ATM surcharge:** human teller fees, deposit-item-returned fees (charged to consumers or businesses who deposit someone else's bounced checks) and fees charged for calling computerized account computers are examples of other new fees.

(3) **Making it harder for consumers to avoid fees.** Making it harder to avoid fees includes, for example, changing "average" balance requirements on checking accounts to "minimum daily balance" requirements, as well as raising those minimums dramatically. In
February, the Wall Street Journal reported, for example, that an increasing number of banks are clearing the largest check deposits first, so more checks bounce, and fee income rises.

**MARKET ISN'T GOOD ENOUGH FOR BUYERS TO COMPARE PRICES:**

Banks argue that the marketplace should decide whether consumers want the "convenience" offered by surcharging machines. The true choice for consumers should be between banks that charge high fees and banks that do not. If surcharging contributes to the extinction of small, low-cost competitors, then big banks will be able to increase the high fees that they already impose on their own customers. As "Big Banks, Bigger Fees," pointed out in July 1997, the fee gap between big and small banks is 15%, despite the economies of scale enjoyed by big banks. As this report finds, big banks ($1.32) charge their own customers off-us fees that are higher than those imposed by small banks ($1.01).

The marketplace the bankers talk about worked unacceptably poorly in this survey. Surveyors who attempted to find out about ATMs were given the run-around both by bank telephone and branch representatives, who said "I don't know, look at the machine" and by ATM machines, which often had the wrong surcharge warning or no surcharge warning. Representatives were also unable to tell consumers how many ATMs they owned.

**PIRG SURVEY SHOWS SIGN DISCLOSURES DON'T WORK:**

- Despite Plus and Cirrus rules requiring surcharging members to post a clear sign on ATMs, 25% of surcharging ATMs had either no sign (19%) or a sign failing to disclose the correct surcharge amount (6%). These consumers needed to wait until they were halfway through the ATM transaction to get the ATM surcharge warning they need to decide whether to continue.

- Thirteen percent (13%) of bank representatives either didn't know whether their bank surcharged or told surveyors a wrong surcharge that was too low.

- Consumers who called banks asking whether their machines surcharged were told "go look at the machine, we don't know."

The only clear sign found on any ATMs was the bright "No Surcharge" logo used by credit unions and some no-surcharge banks. Unfortunately, banks that do surcharge use a wide variety of sloppy, small signs placed in hard-to-see locations and hidden among the clutter of ATM logos and service marks.

Unfortunately, Federal Reserve Board Regulation E, which governs ATM transactions, allows surcharging banks to use either a sign or a screen disclosure. But many machines do not provide
the screen warning until after the consumer has inserted his or her card, entered a PIN, viewed an advertising message, selected an account, and inserted an amount. By then, the consumer is trapped into paying the fee. In our view, even if the Plus/Cirrus disclosure rules were mandatory laws, they would be virtually unenforceable, yet another reason to ban surcharging.

In March, the House Banking Committee approved an amendment to Financial Modernization legislation, HR 10, that would codify a requirement that both screens and machines include surcharge disclosures. The amendment was offered as a substitute for a proposal to ban ATM surcharges offered by Rep. Bernie Sanders (I-VT). The Sanders amendment would protect consumers, the disclosure amendment will not. HR 10 faces a long uncertain path toward final passage and Rep. Sanders is expected to offer his amendment again on the floor.

The real choice for consumers is between banks that charge high fees and banks that do not. The presumption that disclosure at ATMs offers consumers a choice is a false choice, since it presumes that the market is between ATMs, not between high and low-fee banks. ATM surcharging helps eliminate lower-cost competitors and disclosures do not cure that marketplace failure. In addition, the notion that disclosures do make the marketplace work is particularly ludicrous, now that nearly every ATM imposes surcharges.

SURCHARGING RATES

Surcharging rates have dramatically increased and no significant regional disparities were found. PIRG's early surveys found that surcharging rates were highest in the south, where the dominant multi-state institutions, including Nationsbank and First Union, were early surcharge adopters. These banks had pioneered the banks' fee income strategy.

A previous outlier state, Massachusetts, is illustrative of the rapid adoption of surcharging. In Massachusetts, a fierce legislative battle has pitted MASSPIRG and the Attorney General against the state's biggest banks, Fleet and BankBoston. In early 1998, only 3% of Massachusetts banks in our survey imposed a surcharge. Those small banks started surcharging before the legislative fight began, and were located primarily on Cape Cod and Martha's Vineyard.

However, other banks did not adopt the surcharge, since they were concerned about a legislative backlash. In 1997, MASSPIRG's surcharge ban legislation had passed the State Senate unanimously. Despite a majority of House members co-sponsoring the proposal, House Speaker Thomas M. Finneran refused to allow the bill to come up for a vote. Since the session ended in August, 1998, many banks, including Fleet and BankBoston, have begun surcharging. Already, an estimated 80% of the ATMs in Massachusetts surcharge.

In March 1999, Fleet (483 MA ATMs) and BankBoston (1309 MA ATMs) announced a merger. Combined, the new FleetBoston will control 1792, or well over half of the state's bank-owned
ATMs (unless some are divested). Both banks surcharge and the new combined bank is expected to continue to surcharge.
NATIONAL BANK LAWSUITS AGAINST SURCHARGE BANS

Fleet Bank is also suing the state of Connecticut to overturn that state's administrative ban on ATM surcharges, but has lost in early court rounds. In Iowa, Bank One is suing to overturn Iowa's administrative ban and has also lost early rounds in the courts.

Both banks are national banks and claim that states have no regulatory authority over them. Their claims that the National Bank Act is the prevailing statutory authority are being supported by the U.S. Department of the Treasury's Office of the Comptroller of the Currency (OCC). The OCC regulates national banks. The attorney generals of Connecticut and Iowa defend their authority over ATM surcharging under the federal Electronic Funds Transfer Act, which explicitly allows stronger state laws.

The lawsuits, and previous actions by the OCC in preempting other state consumer protection laws, especially New Jersey's low-cost lifeline checking account law, have had a chilling effect. Other states have failed to even consider, let alone enact, consumer protection laws, due to bullying tactics by the OCC. In 1994, the Congress enacted strict rules on the agency to rein it in and prevent it from abusing its authority, which it has failed to follow. [For more information about the OCC and its preemption policies, see PIRG's testimony on HR 10 before the House Banking Committee, available at its web site <http://www.house.gov/banking/21199mie.htm>. For additional information on preemption, state legislative staff should contact U.S. PIRG.]

POSITIVE NOTE: SELECTIVE SURCHARGING ALLOWED AFTER DEPARTMENT OF JUSTICE INVESTIGATION

Double-dipping ATM surcharges are only one of numerous anti-competitive tactics used by big banks. For example, ATM networks owned by big banks, had also prohibited selective surcharging by network members. Following a complaint from State Senator Leonard Bodack (D-PA), a surcharge proponent, the U.S. Department of Justice began an investigation in the summer of 1998 into ATM network rules. As a result, several networks have already eliminated anti-competitive "non-discrimination" clauses, which prohibited banks from only surcharging some customers.

Today, for example, 182 banks with 1115 ATMs in Massachusetts have formed the SUM Network. Their machines do not surcharge each others' customers, but do surcharge non-members' customers. Although PIRG's preferred position is against surcharges, selective surcharging alliances offer consumers numerous benefits. They allow small banks to pool their machines into "surcharge free zones." This prevents their customers from switching accounts to big banks to avoid surcharges. That will help slow the elimination of smaller, low-cost competitors. According to a recent SUM news release:

"Membership in the SUM program continues to grow with 182 members and 1,115 ATMs now enrolled. According to representatives of the NYCE Corporation, preliminary data
collected on NYCE foreign transaction volume at SUM ATM machines in October and November 1998 indicates an average increase of 39 percent compared to the third quarter. While these are preliminary results, it does appear that customers are beginning to change their ATM habits and utilize the SUM program's broad infrastructure of surcharge-free ATMs.” [Undated news release on Mass. Bankers web site <http://www.massbankers.org/>]

PIRG's primary position is that surcharge bans work the best to protect consumers and the marketplace. In the absence of a surcharge ban, selective surcharging is a positive step, although it doesn’t go far enough. Second, did DOJ act soon enough for this alternative solution to even have a chance? As Federal Trade Commission (FTC) antitrust attorney David Balto argues in a recent paper, "in order for a network to be a viable alternative, it must have a critical mass of card holders and ATMs." Balto goes on to argue that since small banks and credit unions generally offer higher savings interest rates and lower fees, that "by focusing competition on the size of a bank's ATM network [as surcharges do], competition in terms of interest rates and fees may be weakened. [See "Regulatory, Competitive and Antitrust Challenges of ATM Surcharges," Balto, David, in BNA Analysis and Perspective, 13 July 1998.]

STATES AND CITIES STEP UP THE PACE, CONGRESS FAILS

ATM surcharge ban or fee cap or moratorium legislation is or has been under consideration by at least 25 legislatures in 1997, 1998 and 1999, including Alabama, Alaska, Arizona, California, Connecticut, Iowa, Kentucky, Maryland, Massachusetts, Michigan, Missouri, Minnesota, Montana, New Hampshire, New Jersey, New York, North Carolina, Oregon, Ohio, Rhode Island, Tennessee, Texas, Washington, Wisconsin, and West Virginia.

Innovative attempts by local governments have also begun. In 1998, the Philadelphia City Council passed an ordinance, then vetoed, to remove city deposits from banks that surcharge. In 1999, CALPIRG, the United Steelworkers, AARP and Consumers Union led a campaign to ban surcharging in the city of San Francisco. Although the Board of Supervisors voted to table the motion, organizers are continuing to organize.

In 1998, federal ATM surcharge ban legislation was proposed by Sen. Al D'Amato (R-NY) and Rep. Bernie Sanders (I-VT). Disappointingly, the D'Amato proposal was defeated on the Senate floor 28-72 in September. Despite their views that surcharges primarily benefit big banks, the small bank lobby worked against Chairman D'Amato to defeat the ATM surcharge ban. They convinced a number of Senators from states dominated by small banks to oppose the surcharge ban. Their opposition to regulation over-rode what should have been a survival instinct and, in this case, may hurt them more in the long run. In March, 1999, as noted above, the Sanders amendment was defeated in the House Banking Committee.
RECOMMENDATIONS FOR CONSUMERS

TO SAVE MONEY

- Use your own bank or credit union ATM whenever possible to avoid surcharges and "off-us" fees. When you cannot, avoid double-dipping surcharge machines by using machines with a "No Surcharge" logo. Complain to your bank if it surcharges other consumers. For a national list containing links to many local non-surcharging ATMs, try http://www.atmsurcharges.com/, a site run by a consumer, David Sorkin, who is a law professor in Illinois.

- Bank at a credit union, not at a bank. If you don't qualify to join a member-owned credit union, then consider banking at a community bank, especially one that is a member of a "Selective Surcharge Alliance" and pools its ATMs with those of other banks that don't surcharge each others' customers.

TO FIGHT BACK

- Urge legislators to support banning ATM surcharges.

- Urge legislators to support legislation opposing bank fees generally. PIRG, the Consumer Federation of America and Consumers Union support a proposal to require all banks to offer low-cost lifeline checking accounts, as only New Jersey and New York require.

RECOMMENDATIONS FOR LEGISLATORS AND REGULATORS

- Ban ATM surcharges. Until then, enforce the consumer protection laws better.

- Enact legislation requiring all banks to offer low-cost lifeline checking accounts, as only New Jersey and New York require. HR 10, Financial Modernization legislation, should not go forward without lifeline.

- If you consider fee disclosure laws, consider worthwhile laws that would require an ATM screen to disclose all fees -- including both off-us fees and surcharges.

- Congress should rein in what it has called the "over-aggressive" preemption actions of the OCC, which have had a chilling effect on consideration of ATM surcharge, lifeline banking, and other consumer protection laws. When no federal law protects consumers better, states have the right to the job.
• As only Massachusetts does, enact state or federal laws requiring that all ATM surcharge information -- on an ATM by ATM basis -- be provided to governments so that lists of surcharging ATMs can be posted on the Internet and published in brochures.

• Federal regulators should consider the role of ATMs when conducting bank and ATM network merger analysis. As Balto points out, "although ATMs are an important element of retail competition and arguably substitute for branches, the Federal Reserve Board has never discussed the impact of bank mergers on ATM competition." [Ibid., page 86.] Reinvigorate the investigation of anti-competitive ATM network rules. Federal regulators should also improve the GAO's annual studies of ATM surcharges, which are merely redundant of PIRG's studies. Instead, this agency should use its greater resources to conduct detailed analyses of the effects of surcharging on consumers and small banks.

CONCLUSION

Surcharging is both anti-consumer and anti-competitive. First, it is unfair to charge consumers twice for one transaction. Second, big banks, with more ATMs, benefit more from surcharging than small banks and credit unions, which have lower fees in general, do. Surcharging exacerbates the trend toward industry consolidation. Fewer banks means less competition and, ultimately, higher fees for all consumers.

PIRG urges support of state and federal legislation to ban ATM surcharging. Fee disclosure legislation is inadequate and will not work.

METHODOLOGY

PIRG surveyors randomly selected banks and made phone calls or visits to determine surcharge and "off-us" ATM fee policies. Wherever possible, surveyors then verified data at actual ATM machines. If the surveyors had called on the phone and were verifying at a branch, they first (1) checked for the existence of a surcharge fee warning sticker. (2) If none was found, they entered the premises, if the bank was open, and asked. Surveyors then (3) inserted their cards to determine whether the machine surcharged, the surcharge amount and whether it allowed consumers to cancel the transaction without paying a fee. Banks doing business in more than one state were counted as multiple banks. Banks found to have more than one surcharge in different markets in the same state were counted as multiple banks. (For example, Chase Bank (NY) imposes variable surcharges.) Some ATMs may impose selective surcharges on only some customers-- this survey does not account for that practice.

PIRG uses this methodology (actual in-person surveying) for two primary reasons. First, only Massachusetts provides full statistics on banks and ATM surcharges. Second, it provides us with
sign and disclosure data. PIRG counts the 300 largest banks, by FDIC deposit rank, as "big banks, since these banks control nearly 2/3rds of all deposits. The remainder of banks are "small banks."

### PIRG 1999 ATM SURCHARGE SURVEY RESULTS BY STATE

<table>
<thead>
<tr>
<th>STATE</th>
<th>Total Banks And CUs Surveyed</th>
<th>AVG Bank Surcharge</th>
<th>Percent of Banks Surcharging</th>
<th>Average Bank Off-Us ATM W/D Fee</th>
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<tr>
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<td>$1.63</td>
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<td><strong>NATIONAL AVGS</strong></td>
<td><strong>367</strong></td>
<td><strong>$1.37</strong></td>
<td><strong>93%</strong></td>
<td><strong>$1.20</strong></td>
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### PIRG 1999 ATM SURCHARGE SURVEY: BIG
### BANKS VS. SMALL BANKS

<table>
<thead>
<tr>
<th></th>
<th>1999 Total</th>
<th>1999 Percent Surcharging</th>
<th>1999 Avg Surcharge</th>
<th>1999 AVG Off US Fee</th>
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<td>183</td>
<td>95%</td>
<td>$1.42</td>
<td>$1.32</td>
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<td><strong>SMALL BANKS</strong></td>
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<td>91%</td>
<td>$1.30</td>
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<td><strong>ALL BANKS</strong></td>
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<td>93%</td>
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<tr>
<td><strong>CREDIT UNIONS</strong></td>
<td>31</td>
<td>42%</td>
<td>$0.98</td>
<td>$0.88</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>367</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### PIRG 1999 ATM SURCHARGE SURVEY: PERCENT CHANGES 1997-1999

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>BIG BANKS</strong></td>
<td>95%</td>
<td>83%</td>
<td>51%</td>
<td>15%</td>
</tr>
<tr>
<td><strong>SMALL BANKS</strong></td>
<td>91%</td>
<td>65%</td>
<td>39%</td>
<td>40%</td>
</tr>
<tr>
<td><strong>ALL BANKS</strong></td>
<td>93%</td>
<td>71%</td>
<td>45%</td>
<td>31%</td>
</tr>
<tr>
<td><strong>CREDIT UNIONS</strong></td>
<td>42%</td>
<td>13%</td>
<td>na</td>
<td>223%</td>
</tr>
</tbody>
</table>

**METHODOLOGY:** Data were collected by visiting BANKS and collecting fee brochures and inspecting and/or attempting transaction at ATM. Some banks may not surcharge at all ATMs. Some banks may selectively surcharge some customers. Only one state, Massachusetts, requires banks to report ATM surcharge data. MASSACHUSETTS: In early 1998, fewer than 3% of all BANKS with a small # of total machines imposed surcharges. In August 1998, after the legislature failed to vote on a surcharge ban, numerous banks imposed surcharges. Today, BANKS that control an estimated 80% or more of MA ATM MACHINES, impose surcharges. Fleet and Bank Boston, the state's largest banks, controlling well over half of the state's ATMs, announced a merger last week. IOWA and CONNECTICUT ban surcharges by administrative order of the banking commissioner. See report for full methodology. Off-us ATM withdrawal is fee charged by bank when own customer uses other ATM.