ATM charges increase sharply

■ **FEES:** *Several states and senators have considered legislation to ban the extra charges banks are imposing*

By Marcy Gordon
The Associated Press

WASHINGTON — The number of ATMs that charge consumers extra for using a cash machine not owned by their bank has nearly doubled to 45 percent in six months, a consumer group said today.

At the same time, the average cost of the surcharges is up, and big banks are inclined to charge more for the service than small banks, the U.S. Public Interest Research Group said in a report released on the first anniversary of the decision by the nation's two largest automated teller networks to allow ATM owners to charge a second fee.

The surcharges, which are paid to the bank operating the ATM, come on top of fees many customers pay to their own banks when they use another bank's machine.

The group's findings prompted Sen. Alfonse D'Amato, R-N.Y., chairman of the Senate Banking Committee, to say he will reintroduce his proposal to ban such ATM double-charges.

But a bankers' group spokesman maintained that the fees are outweighed by the 24-hour convenience for customers and are needed to make the machines profitable.

The survey by PIRG, a liberal consumer group, covered 860 automated teller machines in 27 states and the District of Columbia, out of a total 140,000 nationwide. It found that 45 percent of them charged consumers for using another bank's machine in March, nearly double the 23 percent recorded by the group in a survey in September.

The most common fee was $1, followed by $1.50. They ranged from 25 cents to $2.50.

The new survey also found that 52 percent of ATMs owned by the nation's 100 largest banks levied surcharges averaging $1.24, while 39 percent of smaller banks charged fees averaging $1.06. Only 6 percent of member-owned credit unions imposed fees, which averaged 67 cents, the group said.

"The study found that big banks use their monopoly muscle to charge more, and higher, rip-off surcharges than do small banks and credit unions," said Ed Mierzwinski, PIRG's consumer program director. "(ATM) surcharging is one example of fee gouging by big banks, which seek to raise fees, invent new fees and make it harder for consumers to avoid fees."

The average ATM surcharge is now $1.15, up from 97 cents last year, the survey found. PIRG said the increase more than doubled the cost of many ATM transactions.

"More and more consumers are now forced to pay twice for the 'privilege' of gaining access to their own money. That's outrageous," D'Amato said in a statement. "Banks are posting record profits, yet they are crying poverty when it comes to ATMs. That just doesn't wash. If they cannot afford ATMs, why did they put up over 100,000 of them?"

Rep. Bernard Sanders of Vermont, the House's sole independent, also has proposed a measure to prohibit ATM surcharges. Connecticut and Iowa have outlawed the fees, and legislation to ban the surcharges or impose a moratorium is being considered in Arizona, California, Maryland, Massachusetts, Missouri, Montana, New Jersey, New York, Oregon, Pennsylvania, Texas and Washington state.

John Hall, a spokesman for the American Bankers Association,

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> — **Sen. Alfonse D'Amato**

said his group believed "the marketplace should decide prices for ATMs, not the government."

Hall said the rapid growth in machines over the past year — a record 33,400 new ATMs were installed in 1996 — was made possible by the surcharges, which go toward paying rent, security costs and other expenses for the machines.

He said most banks offer unlimited free ATM use for their customers using the bank's machines.

In February, a group of small California banks and thrifts banded together to fight ATM fees charged by bigger rivals, promising free use of their machines for non-customers. The group's machines carry a special logo: the word "$urcharge" enclosed in a barred red circle.

The PIRG survey also found:

■ Despite rules requiring clear notices of surcharges to be posted on ATMs, 12 percent of the affected bank-owned machines had no signs. Another three percent had unclear, hard to read or too-small signs.

■ Rates of surcharges were highest in the South, led by Georgia with 95 percent and North Carolina and Virginia with 88 percent each.

The group recommended:

■ Use your own bank's ATM when possible, otherwise use machines that don't impose surcharges.

■ Join a credit union, or open accounts at small banks.

Clinton hobbles press secretary for April Fool's

■ **JOKE:** *Clinton announced to reporters that secretary Mike McCurry had injured his leg in a fall Tuesday*

The Associated Press

WASHINGTON — President Clinton announced today that press secretary Mike McCurry had torn a tendon in his leg and his job was now in danger. April Fools!

Clinton made a surprise appearance in the White House briefing room just before McCurry's daily appearance to joke with reporters. Still hobbled from his knee surgery, Clinton deadpanned that McCurry had "made a fool of himself" by falling down and hurting his knee.

"So until we can bring him back to full health, Chris Engskov is going to do the daily briefing today and he will be my press secretary during Mike's absence," Clinton said. Engskov, 25, is an Arkansas native who works in the press office.

"I thought we ought to have a presidential secretary who doesn't have an accent," Clinton quipped.

Getting into the spirit of things, reporters asked Clinton a series of lighthearted questions. Will McCurry ever get his job back?

"I think McCurry's job is in real danger now," Clinton said.

CNN carried part of the April Fool's joke live.