

# GASBANKUSA™ NEWSLETTER

Lock in a Fixed Price for Gas & SAVE!™

## **No More Credit Cards at the Gas Pump, is this The Future?**

Is accepting credit cards at the pump going the way of the dinosaur? There are many gas stations that are saying, "No more credit cards".

"The more they buy, the more we lose and Gas prices go up, and our profits go down." is the thinking of most small gas station owners.

As gas tops \$4 a gallon, that pushes fees toward 10 cents a gallon. Now stations, which typically mark up gasoline by 11 to 12 cents a gallon, are seeing profits shrink or even reverse.

### **The cost of doing business**

The way interchange fees are structured has long annoyed retailers, prompting calls for relief.

Legislation pending in the U.S. House and Senate would allow merchants to bargain collectively with major credit and debit card companies.

The National Retail Federation says gasoline prices point to the unfairness of the system: Stations are paying more in interchange fees because the price of gas has gone up, while the cost of processing credit or debit cards remains the same.

"We have always contended that it doesn't cost Visa and MasterCard any more to process a \$1,000 transaction than it does a \$100 transaction," said J. Craig Shearman, vice president of government affairs at the retail federation.

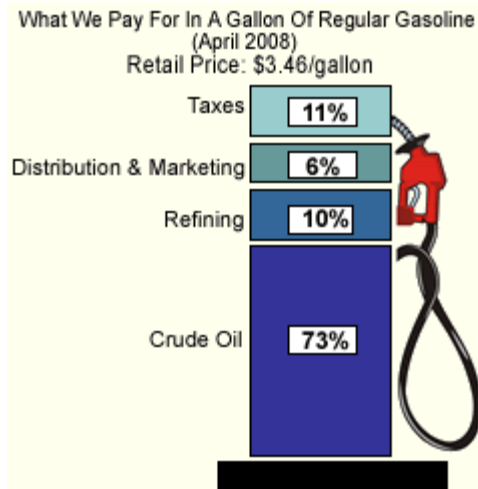
The credit card companies say fees are just part of the cost of doing business. MasterCard has capped interchange fees for gas purchases of \$50 or more, company spokeswoman Sharon Gamsin said.

Accepting MasterCard also gives gas stations "increased sales, greater security and convenience, lower labor costs and speed for their customers at the pump," Gamsin said in an e-mail.

Visa argues that the fees are offset "by the tangible benefits to stations and their customers, such as the ability to pay at the pump," the company said in a statement.

Absent congressional action, gas stations are seeking other relief, including discounts to customers who pay in cash.

## **How the Price of a Gallon of Gasoline Breaks Down**



Source: US Energy Information Administration

### See What We Think and Share Your Comments at the GasBankUSA Blog

We're blogging all sorts of topics related to GasBankUSA, gasoline and oil prices at <http://www.gasbankusa.com/blog/> and we hope you will contribute your insight and opinions for the GasBankUSA community.

### What is GasBankUSA?

GasBankUSA is our idea that allows consumers to lock in the price of gasoline. We are in the process of filing for regulatory approvals and once those approvals are in place, we will contact you with all of the details you will need to make an informed decision if GasBankUSA is the right choice for you. Read more about the GasBankUSA concept at <http://www.gasbankusa.com>.

If you think our idea is interesting, please share it with your friends.

Please feel free to contact us with your questions or comments. You can email us at [info@gasbankusa.com](mailto:info@gasbankusa.com).

Thanks for reading our newsletter,

The Team at GasBankUSA