

America decided they wanted to have a fighting chance against banks, that they would come together, pool their savings, and loan to one another with reasonable interest rates. We rewarded this credit union model by saying we would not consider them for-profit banks. We would exempt them from certain Federal taxation because they were different—different in their goals, different in their principles, different in their business models.

But the more I watch them on issue after issue, there is not a dime's worth of difference between the big banks and the credit unions when it comes down to the really tough issues. As soon as the big banks snap, the Credit Union Association jumps. That is what is going on here. It is unfair to those who honor the credit union movement and what it stands for, and it is unfair that their leaders do not have at least the vision to understand that this kind of approach is at the long-term expense of the reputation of a fine association which has served so many millions of Americans, including my family, for a generation.

The banks also argue that because my amendment requires debit fees to be reasonable and proportional to the cost of processing a transaction, they will not be able to cover the possible risk of fraud. That is a pretty bold argument for them to make.

Visa, MasterCard, and the banks for years have been urging consumers to use payment methods that run higher fraud rates. On April 21, an article ran in the American Banker entitled "Counterintuitive Pitch for Higher-Fee Debit Category." The article discusses how JPMorgan Chase, one of the Nation's largest debit card issuers, has urged all its customers to sign for its debit transactions rather than enter a PIN number. As the article points out, entering a PIN number greatly reduces the risk of fraud. The reason JPMorgan Chase urged its cardholders to use signature debit cards is the interchange fees for signature cards are higher. They make more money when you sign than when you use a PIN number. They are willing to absorb the possibility of fraud in a signature rather than in a PIN number, which is more secure. The banks do not appear to be nearly as concerned about lower fraud as they are about higher fees.

Visa, MasterCard, and the banks have also been blocking the introduction of fraud-proof card technology in the United States, again because they want to keep interchange rates high. For example, many countries have chip and PIN cards where a card has a microchip that can only be activated by the use of a PIN number. The banks and card companies in this country have stifled that technology.

When debit fraud does happen today, the big banks usually try to charge back the fraud loss to the merchants on the grounds that the merchants somehow violated Visa's and MasterCard's operating rules.

As long as big banks are guaranteed the same interchange revenue no matter how much or how little fraud they have, the banks have no incentive to keep fraud costs low. My amendment will give big banks a real incentive to reduce fraud.

Finally, I hear the banks argue that by reducing debit interchange fees, my amendment would force the banks and card companies to raise fees on customers. I try not to laugh when I hear this one because when were the banks and card companies not raising fees on their customers? Didn't we just see them fall all over themselves to gouge cardholders before last year's Credit CARD Act took effect? I cannot tell you how many letters I received in the mail during the grace period before the law went into effect announcing higher interest rates on the credit cards my family uses. It is not as if banks and card companies were reducing fees to cardholders as interchange rates were being hiked over the last few years. Rather, they ratcheted up fees on both the cardholder side and on the merchant side. They try to take advantage of both sides whenever they can.

We need to ensure that this system works fairly both for consumers and for small businesses. And last year's Credit CARD Act and my amendment will work together to do so.

In conclusion, I call on my colleagues to stand up for the merchants and small businesses across America, to push this amendment across the finish line in the conference committee on Wall Street reform. This amendment represents one of the biggest wins for small businesses and consumers in years. It will help small businesses grow and create more jobs. Do not let the Wall Street lobbyists and the friends of the credit unions who are working for them fool you. This is all about big bank profits. Do not let them kill this amendment. Do not let them bring down this broad, bipartisan effort to give small businesses a fighting chance against Visa and MasterCard.

Mr. President, I yield the floor. I see my colleague from North Dakota is with us.

The PRESIDING OFFICER. The Senator from North Dakota.

BP'S RESPONSIBILITY

Mr. DORGAN. Mr. President, I come to the floor to speak about the START treaty briefly. Before I do, let me mention, as I have previously, that I have been sending messages to the Justice Department and others. I was pleased with the Attorney General's comments today about the oilspill in the gulf, and about BP's responsibility.

There is no question that BP has said they pledged to cover legitimate costs as a result of this oilspill. The question I have is, Is that a binding agreement? And the answer from the Justice Department at a hearing recently was, no, it is not binding. If that is the case,

if it is not binding—and I believe it is not—we need to move to take steps to make that pledge binding.

There are people today who are trying to figure out how on Earth do they get through this situation. In addition to oil spilling out into the gulf—and it has been doing that I think for 52, 53 days—there are people on a dock in a small town somewhere who are fisher men and women. They have a boat and they fish for a living. But their boat is idle at the end of the dock because they cannot fish. Yet they have to make a payment on that boat at the end of the month. Up and down the gulf, there are significant consequences of this situation. The question is, Who is going to reach out to help those folks? They did not cause these problems.

I think it is important for BP to be asked to put a significant amount of money into a fund, a recovery fund of sorts, and that fund be handled by a special master and perhaps by a counselor from BP.

In any event, it is important to turn this from a pledge into a binding commitment and to do so soon so that money begins flowing to those who are substantially disadvantaged by what has happened and this disaster that has occurred in the Gulf of Mexico.

START TREATY

Mr. DORGAN. Mr. President, let me speak for a moment with respect to the New START treaty. Strategic arms reductions are very important. We do not think about them very much. We deal with big issues and small issues in the Senate. Sometimes the small issues get much more attention than the big issues. But one is coming for sure to the floor of the Senate that is a very big issue; that is, the Strategic Arms Reduction Treaty that was negotiated with the Russians. This is really a big issue and very important. I want to describe why and describe why I feel so strongly about it. I have spoken on the floor previously about this, but I want to do it again, describing a Time magazine article from March 11, 2002. The March 11, 2002, Time magazine article referred back to 2001, right after 9/11—It said this:

For a few harrowing weeks last fall, a group of U.S. officials believed that the worst nightmare of their lives—something even more horrific than 9/11—was about to come true. In October, an intelligence alert went out to a small number of government agencies, including the Energy Department's top-secret Nuclear Emergency Research Team, based in Nevada. The report said that terrorists were thought to have obtained a 10-kiloton nuclear weapon from the Russian arsenal and planned to smuggle it into New York City. "It was brutal," a U.S. official told Time. It was also highly classified and closely guarded. Under the aegis of the Whitehouse's Counterterrorism Security Group . . . the suspected nuke was kept secret so as not to panic the people of New York. Senior FBI officials were not in the loop.