

[Randolph T. Holhut, the Commons](#)

Brattleboro may have a vibrant downtown economy, but more can be done to help local businesses stay competitive with big box stores and online retailers.

That was the message that U.S. Rep. Peter Welch, D-Vt., brought to town on Monday during a one-hour tour of several downtown merchants, accompanied by local government and business leaders.

The goal of the tour, he said, is to promote ways to support Vermont businesses and create jobs. He did a similar walking tour of St. Albans last Friday.

"Downtowns are critical to our sense of community," said Welch. "They are critical to our capacity to create jobs, and not just jobs on Main Street."

He stressed that when businesses seek to locate a business in a particular region, the health of a downtown and the sense of energy and activity found there are important factors they consider.

Welch said he recognizes that it is harder and harder for local, downtown businesses to compete, which is why he has pushed for three pieces of legislation to benefit such businesses.

One is the Credit Card Interchange Fee Act, which was included in the recently passed Wall Street reform legislation and cracks down on debit and credit card "swipe fees" charged by banks.

"Retail merchants are paying 2, 3 or 4 percent surcharges on every transaction," Welch said. "That's money that comes right out of merchants' pockets. It's a rip off."

According to Congressional data, debit card fees represent a \$20 billion a year business, with Visa and MasterCard controlling 80 percent of the market. The new rule, co-authored with Sen. Dick Durbin, D-Ill., now gives merchants the option to offer discounts to customers who pay with cash or check.

It also allows retailers to set a \$10 minimum on credit card purchases and gives the Federal Reserve authority to limit swipe fees to what is "reasonable and proportional" to the cost of the transaction.

One merchant who will see a benefit from the new rule is Mocha Joe's. Pierre Cappy, owner of the downtown coffeehouse and coffee roasters, said he reluctantly began accepting credit and debit cards a few years ago and estimates nearly half of the purchases are paid for that way.

"The swipe rate for us is 23 cents for every transaction," said Cappy.

When Mocha Joe's tried to set a \$6 minimum purchase for credit and debit cards, Cappy said they were told by the credit companies that "if we charged a minimum, we'd lose the right to use credit cards and they'd pull our equipment."

Another piece of legislation that Welch advocates would subject online purchases to Vermont's 6 percent sales tax.

Under current law, online purchases are subject to sales tax only if the retailer has a retail presence in the state. Most online retailers, such as Amazon.com, do not have local outlets.

"That puts our local retailers at a real disadvantage," said Welch. "I've talked to a lot of retailers who tell me that folks come in and browse, then go home and go online to buy the same product. So we have our local retailers basically being window shopping for the big retailers."

Such a law could generate more than \$40 million a year for Vermont.

Technically, Vermont residents who buy a product out of state or online are supposed to pay the sales tax when they file their annual income tax returns. In reality, almost no one follows the law.

For Lisa McCormack, owner of The Book Cellar on Main Street, Welch's proposal would level the playing field between independent bookstores and the big online retailers.

"We'd certainly support it," she said. "We know that many of our customers shop on Amazon, sometimes because they tell us. When you're looking at a 15-20 percent margin for book sales, 6 percent more makes a difference."

The final element of what Welch calls his "Jobs for Main Street" agenda is what's called the "Building Star" program.

Similar to the "Home Star" program co-sponsored by Welch to provide funds for homeowners to make energy-efficiency improvements, Building Star would offer low-cost loans and grants for energy-efficiency improvements to commercial and apartment buildings.

"Most of the buildings in our downtowns were built before energy-efficiency measures could be incorporated into their construction," Welch said. "We've got to help our downtown building owners retrofit and renovate these historic buildings."

Welch said if enacted, this program could create as many as 150,000 jobs in manufacturing and construction and reduce energy usage by the equivalent of 33 300-megawatt power plants.

Hugh Barber is owner of the Manley Apartments on High Street, a block that contains 25 apartments and three businesses. Barber said he did some retrofits on the building, including double-pane windows, improved insulation, a new roof, energy-efficient lighting and appliances,

and a new oil-fired water heating system.

"The comfort level of everyone in the facility has improved," said Barber. "We've saved about 10 to 15 percent on our electric bills. It's a common-sense idea that's worked."

Barber said the programs of Efficiency Vermont have helped, but more federal money could help with more improvements to his and other buildings in Brattleboro.

Welch also walked the talk about supporting downtown business. He bought Sebastian Junger's new book, *War*, about the 14 months the author spent with U.S. combat troops of the 173th Airborne Brigade in Afghanistan's Korengal Valley.

The list price of the book is \$26.99. It is selling for \$14.99 with free shipping on Amazon.com. Welch paid \$24.32, which includes the Book Cellar's 15 percent discount for new hardcover books, plus tax.