

Faster Payments Task Force Steering Committee Meeting Summary Federal Reserve Bank of Houston February 7-8, 2017

Welcome¹

Sean Rodriguez, Faster Payments Strategy Leader, welcomed the Faster Payments Steering Committee (FPSC) and reviewed the meeting agenda. He noted that the January 26-27 Challenges and Opportunities Workgroup meeting and recent Editorial Board calls have been productive in determining the recommendations for the Faster Payments Task Force's (FPTF) Final Report.

Final Report: Review of Initial Content

Barbara Bennett, Vice President, Federal Reserve Bank of San Francisco, presented the results from Survey A, the first of several opportunities for the FPTF to provide input to the Final Report Part Two (Final Report) content. Ms. Bennett noted that the majority of survey respondents believe the Final Report's key messages are either on target or mostly right. She stated there is widespread support for the Final Report to be a concise call to action rather than a research report. The survey results also suggest that FPTF members have divergent views on the value and need for collaboration, with some respondents stating a need for proactive collaboration and others preferring to let market forces dictate the direction of faster payments.

The FPSC discussed the initial content of the Final Report and four topics that, according to Survey A, present divergent views. First, regarding rules of the road (prescribed rules and standards versus allowing them to be established by the market), the FPSC determined that the Final Report should prescribe baseline rules and standards to address a specific set of issues (for example, to ensure a consistent and reliable end-user experience). Second, the FPSC discussed organization and support (strong versus minimalist governance) and noted that the Final Report should cover mechanisms for collaboration rather than governance. Third, the FPSC had mixed opinions on whether infrastructure, such as utilities or directories, should be developed in a planned manner or organically. Finally, the FPSC discussed the role of the Federal Reserve (as an observer versus operator), with some members noting the need for specific operational roles.

Final Report: Discussion on Desired End-State

Roy DeCicco, representing the Accredited Standards Committee X9 and leader of the Challenges and Opportunities Workgroup, reviewed the desired outcomes and objectives of the Final Report. The FPSC split into breakout groups to determine the criteria that would have to be met in order to consider the Final Report ready for publication. They discussed criteria related to scope, structure, and required FPTF participation and noted that the Final Report would need a call to action with specific and purposeful recommendations, a similar and consistent voice, and to include segment differences where consensus is not possible.

¹ Nick Billman, Senior Counsel, Federal Reserve Bank of Kansas City, reminded those in attendance to participate in a manner consistent with Anti-Trust and other applicable laws.

Looking Forward: Discussion on Activities to Support Final Report Success

The FPSC discussed potential risks to not achieving the desired impact of the Final Report as well as how to mitigate those risks. Some risks identified include: the industry may expect the Final Report to choose a specific solution to implement, the Final Report may not include enough specificity to make the recommendations actionable, and that it may not be clear how the proposal assessment process will move the industry forward. In addition, the FPSC noted several ways to mitigate these risks, including: explaining the constraints associated with the FPTF's mandate, setting achievable goals, and making clear the need for collaboration.

Jon Jeswald, Federal Reserve Bank of San Francisco, noted several schedule adjustments that result in planned Final Report publication at the end of July 2017. Based on the FPTF's request for additional opportunities to review the Final Report, two additional versions will be circulated for FPTF review. In addition, segment calls will be scheduled in April and, if the FPTF determines a need, there is room in the schedule for an additional survey in May before the Final Report goes through the Decision-Making Framework.

Looking Forward: Role of the Federal Reserve in Supporting Faster Payments Implementation

Connie Theien, Senior Vice President, Federal Reserve Bank of Chicago, discussed the task force's requests which included a role for the Federal Reserve in supporting faster payments implementation. She noted the Federal Reserve is internally taking stock of overall progress toward the desired outcomes outlined in the [2015 Strategies for Improving the U.S. Payment System](#) paper and considering where there may be need for ongoing industry collaboration or Federal Reserve action in the future to sustain momentum. Consistent with a commitment to collaboration and transparency, she noted plans to seek stakeholder input, as appropriate, on future payment system improvement activities and initiatives in the latter half of 2017 after publication of the FPTF Final Report. Ms. Theien indicated that it will be helpful if the task force is specific in its requests to give the Federal Reserve a clear understanding regarding industry views on needed Fed support.

Looking Forward: Discussion on Activities Beyond the Task Force

The FPSC split into two breakout groups to discuss activities that may happen after the FPTF's work is complete. Both breakout groups suggested that a post-FPTF interim group could be established, with clear objectives, to push forward the Final Report's recommendations. In addition, the groups discussed the need for the Federal Reserve to maintain a leader or catalyst role to help define and support various post-FPTF activities and interactions.

The FPSC also discussed general reflections on the direction of the FPTF Final Report. Several FPSC members agreed that the Final Report should use action-oriented statements and that the report should strive to be bold in terms of what can be achieved rather than reach a more watered-down and less-impactful "middle of the road" consensus.

Close

Mr. Rodriguez closed the meeting by thanking the FPSC for their participation and work thus far. He noted the following upcoming meeting dates:

- FPTF in-person meeting: March 1-2
- FPSC teleconference: March 14
- FPSC in-person meeting: April 11-12
- FPTF teleconference: April 20
- FPTF in-person meeting: May 3-4