

# Secure Payments Task Force Steering Committee

## April 12, 2016 Call Summary

### Welcome and Restated Participation Agreement<sup>1</sup>

Todd Aadland, Payments Security Strategy Leader, opened the Secure Payments Steering Committee (SPSC) call and reviewed the meeting objectives and agenda.

### Task Force Decision-Making Framework

Ed O'Neill, Federal Reserve Bank of Chicago, reviewed the feedback received on the Decision-Making Framework (DMF) during the March 2-3 Secure Payments Task Force (SPTF) meeting.<sup>2</sup> He summarized the results of a flash poll administered during the meeting, noting that 78 percent of voters believed the framework was near perfect or needed only minor revisions.<sup>3</sup> He also reviewed five themes that emerged from tabletop discussions during the meeting: (1) the desire for greater transparency during the initial screening of proposals and to balance the authority of the task force chair during this process (e.g. through greater SPSC involvement), (2) concerns with the impact of segment size on voting results, (3) concerns related to publishing voting results, (4) the desire for stand aside voters to provide comments, and (5) the desire to reach adequate voter participation rates among the segments. Mr. O'Neill summarized how the Federal Reserve addressed each of the 43 items of feedback received during the tabletop discussions and noted resulting changes to the Decision-Making Framework.<sup>4</sup>

Mr. O'Neill solicited feedback from SPSC members on the revised DMF. Although SPSC members generally agreed with the revisions made to the DMF specifying that the SPSC will review and consult with the task force Chair during the proposal screening process, a few SPSC members stated they may not have sufficient time to review proposals and suggested modifying the language to read that SPSC members will make a "best effort" to do so. One member suggested providing the SPSC at least a week to review proposals and the ability to provide feedback through Task Force Knowledge Central. The group also agreed that a majority endorsement was appropriate if all SPSC members were not able to opine on the decision at hand. Regarding the concern that the DMF may give individuals in a very large or very small stakeholder segments disproportionate influence, Mr. O'Neill asked the SPSC to consider two options: (1) keep the DMF as is, recruit additional members in smaller segments and monitor going forward, or (2) revise the DMF to require majority consent in all participating segments less two (versus "less one"). The SPSC ultimately agreed to move forward on the first option. The SPSC agreed that voting results should be publicly disclosed; however, SPSC members also discussed the challenge for government agencies to participate in full task force votes if results are made public. Although Mr. Aadland agreed to further discuss the topic at a later date, SPSC members underscored the challenge of granting organization-specific exceptions for disclosing votes and acknowledged the Faster Payments Task Force's decision not to grant such exceptions. Regarding the feedback to require stand aside voters to provide comments, the SPSC agreed to keep comments optional. SPSC members also agreed not to

---

<sup>1</sup> John Yanish, Federal Reserve Bank of Minneapolis, reminded those in attendance to participate in a manner consistent with antitrust and other applicable laws.

<sup>2</sup> The purpose of the Decision-Making Framework is to approve Secure Payments Task Force processes, initiatives, and work products that require supermajority consensus of the task force.

<sup>3</sup> During the March 2-3 meeting, Secure Payments Task Force members were asked to respond to the statement: "The draft of the Decision-Making Framework discussed today is..." The results are as follows: Close to perfect as is (19%); On target, just needs minor revisions (59%); Directionally correct but needs major revisions (22%); Off target, back to the drawing board (0%). Thirty-two members responded to the poll.

<sup>4</sup> Mr. O'Neill also noted a few non-substantive and clarifying changes made to the Decision-Making Framework following the March 2-3 meeting.

revise the DMF to require minimum participation rates as the task force Chair has the option to re-submit a decision proposal based on a review of the participation and stand aside rates.

SPSC members endorsed the plan to move ahead with a full Task Force vote to adopt the DMF. Mr. O'Neill stated that the Federal Reserve would incorporate the feedback received from the SPSC on the call into the DMF and presented a proposed timeline to finalize it. He noted that the Federal Reserve plans to host drop-in calls to review and discuss the revised DMF at the end of April, and the Task Force would vote on whether to adopt the DMF in mid-May. SPSC members endorsed the proposed timeline.

### Work Group Guidelines

Mr. O'Neill reviewed a set of draft Work Group Guidelines that document how SPTF work groups will operate. He noted that the guidelines address a number of topics, including work group composition, roles/responsibilities, deliverables, decision making, and dispute resolution. Mr. O'Neill solicited feedback from the SPSC on the draft guidelines. SPSC members generally agreed with a suggestion to include a provision on periodic assessments of work groups and that the SPSC should be responsible for conducting such assessments. In response to a comment, Mr. O'Neill stated that work group members that are unable to attend work group meetings will still be able to cast votes on work group issues, noting that these members have the opportunity to stay abreast of work group activities by reviewing meeting minutes. Although one SPSC member suggested adding a provision to the Guidelines giving the SPSC the authority to remove underperforming work group chairs, the majority of SPSC members agreed that this responsibility should be held by the task force chair. SPSC members endorsed the Work Group Guidelines. Mr. O'Neill noted that the Federal Reserve would incorporate the SPSC's agreed upon changes into the Guidelines and distribute the finalized document to the Task Force. In addition, Mr. O'Neill stated that an overview of the finalized document would be provided at the next SPTF meeting. The Guidelines will not be presented to the Task Force for a vote and are considered active with the endorsement from the SPSC.

### Work Group Updates

Work group chairs reported on key accomplishments and planned next steps for the three active work groups.<sup>5</sup> Nancy O'Malley, MasterCard, stated that Payment Identity Management has finalized its charter and appointed Frazier Evans as vice chair. She reported that the work group has organized its work efforts into three subgroups and around specific use cases, noting that subgroup two is developing a matrix to evaluate the effectiveness of payment identity management tools. Mr. O'Neill stated that Information Sharing has finalized its charter and selected Heather Wyson-Constantine as vice chair. He reported that the work group has divided its work efforts into three subgroups, noting that subgroup two, led by Peter Tapling, has begun work to identify and inventory information that is currently shared within the payments industry. Steve Mott, BetterBuyDesign, stated that the Standards Assessment Team has started to define industry standards for Payment Identity Management's selected use cases and has begun to coordinate efforts with Information Sharing for Mitigation of Payment Risk Fraud.

Tammy Hornsby-Fink, Federal Reserve Bank of Richmond, reviewed a launch plan for the Data Protection work group (to be chaired by Reed Luhtanen, Wal-Mart Stores, Inc.), noting that the plan is similar to those adopted by the three active work groups.<sup>6</sup> SPSC members endorsed the proposed launch plan. Ms. Hornsby-Fink also reviewed a plan for the Federal Reserve to provide drafting support for final work group products.<sup>7</sup> She stated that the team of Federal Reserve drafters would attend work group meetings and develop common templates to help ensure consistency across work groups. In response to a comment, Ms. Hornsby-Fink underscored that Federal Reserve staff involved in drafting work group

<sup>5</sup> Mr. O'Neill reported on the Information Sharing work group in the absence of its chair.

<sup>6</sup> Based on lessons learned from launching the three currently active work groups, the sign up period for Data Protection in the proposed launch plan is one week longer than what was allotted for the three active work groups.

<sup>7</sup> The plan is responsive to a request made by the SPSC at its January meeting that the Federal Reserve provide support for drafting final work group products.

products will represent the views of the work group. SPSC members endorsed the document drafting support plan.

### **Next Steps**

Mr. Aadland requested that SPSC members review the proposed topics for the upcoming SPTF teleconference in May and in-person meeting in June, and to submit feedback and suggestions for additional topics following the call. He ended the call by thanking participants for their contributions.