

MEETING SUMMARY**Faster Payments Task Force Steering Committee
Federal Reserve Bank of Kansas City, Denver Branch****June 1-2, 2015****Responsibilities of the Steering Committee**

Dave Sapenaro, Interim Payments Strategy Director, outlined the Faster Payments Task Force's mission, objectives, and structure, as well as the steering committee's responsibilities. He discussed how the steering committee would help guide the efforts of the task force but stated that the steering committee is not a decision-making body that necessarily represents the views of task force segments. Mr. Sapenaro emphasized that the Federal Reserve goal is to provide leadership and administrative support to the task force and its steering committee. In response to a question, he stated the Federal Reserve sets a high bar in assessing when it may be appropriate for the Reserve Banks to introduce and operate a new payment service.¹ The Federal Reserve would only consider offering a new payment service in the unexpected and unusual case that a viable solution does not emerge from the private market. He expects that the private sector will drive the implementation of faster payments capabilities.

Committee members expressed interest in determining how faster payment efforts taking place outside of the task force may relate to the work of the task force. Some committee members expressed concerns that they would no longer own intellectual property brought to the task force. Veronica Sellers, Senior Vice President, Federal Reserve Bank of Kansas City, clarified that task force members would continue to own their intellectual property, but that the participation agreement requires members to license on a fair, reasonable, and non-discriminatory basis unless they opt out.

Task Force Work Plan and Timeline

Sean Rodriguez, Senior Vice President, Industry Relations, provided a high-level overview of possible task force work phases. [See task force materials for context.] Committee members discussed the importance of establishing the evaluation criteria early in the process, as well as the value of organizations performing self-assessments against those criteria for new and existing possible solutions (or components of possible solutions). Committee members acknowledged that it would be useful for any solution development and evaluation phases to be more fluid, enabling solutions to be reviewed and refined as part of an iterative, ongoing process. Such an iterative process would enable participants with components of possible solutions to identify and potentially collaborate with each other, formally or informally.

Committee members discussed the form of the final deliverable, and the desire to have more clarity on the specific goal of the task force. Suggestions included publishing one task force-endorsed solution, publishing more than one task force-endorsed solution that can interoperate, and publishing the broader results of the evaluation process similar to a "Consumer Reports" publication. The committee members emphasized that a key aspect will be how to achieve ubiquity in any solution. The committee members also acknowledged that it would be important to broadly define what type of solution the task force is seeking. For example, a collection of component proposals could create a single solution. Some committee members suggested that it would be valuable for the Federal Reserve to endorse the final report. Mr. Sapenaro specified that the report would be developed by and published as a product of the task force, albeit with

¹ Any new service would need to yield clear public benefits, produce revenues sufficient to fully recover costs over the long run, and be one that other providers alone could not be expected to offer with reasonable effectiveness, scope and equity. A determination to introduce a new service would be subject to public comment.

technical assistance from the Federal Reserve in creating the final deliverable. The committee discussed being very clear upfront of the goal(s) of the task force efforts, which would help drive the final deliverable.

Decision-making Framework

Ken Isaacson, Senior Vice President, Wholesale Product Office, summarized a possible draft decision-making framework that could be used to gain approval for key task force processes, initiatives, and work products of the task force. Committee members discussed whether the decision-making framework for task force processes and its work products should require full segment consensus or approval of seven of eight stakeholder segments, the chair's authority to intervene if a decision does not represent or treat a particular segment fairly, whether "stand aside" votes should require task force members to state their concerns, whether objection votes should be limited, and whether task force voting should be made public. Most committee members felt that objection votes should not be limited, and that the requirement that any objection include an alternative suggestion or explanation should assist naturally in limiting a participant from serially objecting. Committee members also emphasized the need to build consensus among task force members within a segment and agreed to work with members of their segment to move debated issues to resolution. The committee members generally felt that task force voting should be made public, noting that voting may in some cases not be fully representative if such votes are in fact public.

Faster Payments Evaluation Criteria

Mr. Isaacson reviewed a proposed process for developing and subsequently applying the task force evaluation criteria. [See task force materials for context.] Committee members discussed whether it was necessary to assign weights to each criterion and agreed that there was no need to commit to weights at this time. Committee members also discussed whether only complete solutions should be evaluated. Committee members suggested using an iterative process where solutions could be reworked after being evaluated and evaluating proposals as components of a complete solution, as well as developing criteria that supports development of something other than complete solutions. The committee members also discussed the importance of common language and understanding for the evaluation criteria, including a precise definition as well as rationale as to why the criteria are defined as such.

Committee members suggested that it would be useful to meet as single-segment breakout groups to discuss that segment's priorities for the evaluation criteria. They believed meeting as a segment would facilitate participants' contributions in the cross-segment breakout groups in discussing possible criteria. Mr. Isaacson led a sample breakout group to identify specific criteria that would support ubiquity followed by committee members participating in cross-segment breakout groups on additional criteria. Committee members felt the process worked well for generating thoughts on possible criteria.

Six committee members volunteered to be facilitators for the task force meeting cross-segment breakout groups. Committee members also agreed to hold preparatory calls with their respective segments prior to the task force meeting on June 15-16, 2015 in Chicago.