

# Faster Payments Task Force Steering Committee July 27, 2016 Teleconference Summary

## Welcome and Opening Remarks<sup>1</sup>

Sean Rodriguez, Faster Payments Strategy Leader, welcomed the Faster Payments Task Force Steering Committee (FPSC) to the call, reviewed the agenda, and updated the FPSC on the Qualified Independent Assessment (QIA) process and a change in FPSC membership. He stated that McKinsey & Company (McKinsey) is almost finished with its preliminary assessments and will conduct individual question and answer sessions with proposers during the week of August 1. Mr. Rodriguez noted that according to McKinsey, the QIA team is on track to release the preliminary assessments to the Faster Payments Task Force (FPTF) in October.

Mr. Rodriguez announced to the FPSC that Marcelene White, Maryland Consumer Rights Coalition, has been elected to fill the recently vacated FPSC seat in the Consumer Groups segment and that the FPSC will soon receive a formal email introduction to Ms. White.

## Final Report – Release Strategy and Content Approval Decisions

Roy DeCicco, representing the Accredited Standards Committee X9, proposed an updated two-release strategy for the Final Report, which is based on recommendations from the FPSC and feedback from the May FPTF meeting. As part of the two-release strategy, Release 1 will be scheduled for fall 2016 publication and will present the FPTF background, process overview, payments landscape, and benefits of faster payments. Release 2 is planned for mid-year 2017 and will involve the QIA final assessments and faster payments proposals, and a discussion of challenges, opportunities, recommendations, and next steps.

Mr. DeCicco noted several issues to discuss with the FPSC, including the exact timing of the releases and approval process. Kandice Alter, Assistant Vice President, Federal Reserve Bank of Chicago, presented several pieces of FPTF input and commentary from the June 30 segment calls, which indicated the FPTF had no opposition to the two-release strategy and no strong need for using the Decision-Making Framework (DMF) on Release 1. However, Ms. Alter noted, some FPTF members believe all published material that includes FPTF viewpoints should go through a DMF.

Based on the proposed revisions to the work plan that result from the two-release strategy, Ms. Alter presented two options regarding the timing of the releases and approval process. Option 1 involves applying the full DMF to Release 1 and publishing the content in September 2016. Option 2 provides for a preliminary Release 1 that would go through a DMF along with Release 2 mid-year 2017. The FPSC discussed the pros and cons of each option. Several FPSC members noted that Option 1 would avoid the need for a second FPTF review alongside Release 2's DMF in 2017. In addition, they stated Option 2 would require two FPTF reviews of Release 1, including a review that would occur just ahead of the FPTF review of proposal preliminary assessments. Some FPSC members noted this aspect of Option 2 might result in more effort and time from FPTF members than they originally anticipated. Several other

---

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

FPSC members noted that Option 1 might result in stale information by the time Release 2 is published and that Option 2 allows for additions to content later in the Final Report process.

Based on the varying FPSC feedback and in order to balance the work of the FPTF by having a DMF for Release 1 prior to receiving the proposal preliminary assessments in October 2016, Mr. Rodriguez suggested the FPSC move forward with Option 1, with the understanding that it would be able to review a draft of Release 1 by August 26 and then decide by September 2, via email, whether or not the timeframe is workable to go forward with Option 1. If the FPSC decides that Option 1 is not feasible at that time, it will discuss additional options on the September 8 FPSC call. The FPSC agreed to this approach.

### **Challenges and Opportunities Sub-Work Groups: Phase One – Foundational Work**

Kassi Quimby, Associate Director, Federal Reserve Board, provided an update on the Challenges and Opportunities sub-work group (SWG) efforts, which are divided into four efforts: foundational work; post-assessment analysis; proposed recommendations and next steps; and challenges and opportunities conclusion. Ms. Quimby noted that Federal Reserve coordinators and drafters have held kick-off meetings with the FPTF SWG leads and each SWG had held several calls in preparation for an in-person meeting at the end of August.

Ms. Quimby presented the near-term work plan that identifies weekly goals for each SWG with the aim of creating significant momentum before the August in-person meeting. She stated that calls are facilitated by customizable workbook packages for each SWG that help structure the meetings and guide conversations and noted the process has received positive feedback from the SWGs. Ms. Quimby discussed the Federal Reserve's role in providing research needs for the SWGs, noting that while Federal Reserve staff would offer existing research, it would not conduct original research for the purposes of this effort.

Mr. DeCicco discussed several SWG project risks and mitigation strategies. He noted one risk is that all SWG members may not have a similar vision and that more work was being done to more clearly define the vision and desired impacts of the challenges and opportunities section of the Final Report. In addition, while SWGs are empowered to define their individual work outputs, there is a need for cross-SWG alignment and coordination. In order to mitigate these risks, strategies have been put in place to offer a standard set of tools to support alignment of SWG work efforts, to identify areas that require cross-SWG collaboration, and to provide opportunities for cross-SWG conversations.

Finally, Mr. DeCicco reviewed the objectives and agenda for the August in-person SWG meeting. An FPSC member noted the importance of clearly defining, at the outset, the scope of the effort and need for alignment across the SWGs.

### **Commentary Period Feedback Process: Education Phase**

Dan Gonzalez, Vice President, Federal Reserve Bank of Chicago, presented an approach to the education phase of the FPTF review and commentary period. He stated the approach provides a number of engagement points leading up to the QIA preliminary assessments release to the task forces in October that aim to prepare FPTF members to review and provide commentary on the proposals and assessments. The approach would educate FPTF members on the process, available tools, timeline, and information resources.

Based on previous FPTF feedback, planning for several key tactics is underway. Drop-in calls are planned to provide a high level overview of FPTF work products and processes and will be recorded so that FPTF members can view them at their convenience. In addition, Task

Force Knowledge Central will house a resource library in addition to the recorded drop-in calls and webinars. Finally, educational webinars will be presented by subject matter experts on a variety of topics, and these webinars will be reviewed by an FPSC editorial board. Mr. Gonzalez requested the FPSC identify any FPTF members who may be interested in presenting a webinar. He also asked for volunteers to act as a sounding board for materials that may be added to the education phase.

An FPSC member asked whether the educational materials would be made available to the broader community. The member noted that the educational materials could help build the public's understanding of the content that will be presented in the Final Report. Mr. Gonzalez noted that all material will be available only on Task Force Knowledge Central, which is restricted to FPTF access, and that he would think about ways to broaden access to the educational materials.

### **Closing Remarks**

Mr. Rodriguez closed the meeting by noting the following upcoming calls and in-person meetings planned at this time:

- August 24-25: Challenges and Opportunities SWG in-person meeting at FRB Atlanta
- September 8: FPSC teleconference
- October 13-14: FPSC in-person meeting at FRB Chicago
- November 15-17: FPTF in-person meeting near Chicago O'Hare
- December 8: FPSC teleconference
- December 14: FPTF teleconference

He noted the September calls will focus on the process for capturing FPTF feedback on the preliminary assessments of the proposals. In addition, Mr. Rodriguez stated he is finalizing arrangements to have the Secure Payments Task Force participate during parts of the November in-person meeting in order to discuss these assessments.