

Faster Payments Task Force Teleconference December 16, 2015 Meeting Summary

Participation Agreement Update¹

Sean Rodriguez, Faster Payments Strategy Leader, welcomed the task force to the last call of the year and provided an update on the task force participation agreement. Some participants, including some that joined the task force and signed the participation agreement and others that expressed interest but did not sign, raised early on concerns with joining because of certain provisions in the agreement. Mr. Rodriguez noted that based on those concerns the Federal Reserve indicated it would revisit the participation agreement and consider changes that would best serve the task force going forward into phases two and three of the initiative. Ms. Sellers recently led a team to revisit the participation agreement that recommended specific changes to the following aspects of the participation agreement: 1) FRAND licensing terms, 2) representations, warranties, and indemnification provisions, and 3) copyright provisions.

Mr. Rodriguez indicated that a revised participation agreement will be presented in early January to all task force members and those considering joining the task force. He noted that task force members should find the revised participation agreement to be less restrictive. In response to a question, Mr. Rodriguez clarified that all task members will be asked to re-execute the agreement in the spirit of consistency and transparency.

Qualified Independent Assessment Update

Mr. Rodriguez provided an update on the Qualified Independent Assessment (QIA) process. He noted that the Federal Reserve is putting together an RFP in order to retain a professional services firm to conduct the QIA process and that a QIA team could be established by April. Mr. Rodriguez indicated that while using a professional services firm could provide objectivity and expertise, ensuring independence would be more of a challenge. As such, he noted that the RFP process may try to incent the use of small niche firms with payments system expertise. Mr. Rodriguez indicated that the Steering Committee has acted in an advisory role, and he has asked them to continue advising the Federal Reserve in its execution of the QIA process. In response to a question, Mr. Rodriguez noted that if a task force member is interested in playing a role in the QIA process or bidding on the QIA contract, they should contact him or Jon Jeswald, Vice President, Federal Reserve Bank of San Francisco.

Task Force and Broader Stakeholder Engagement Plan

Connie Theien, Vice President, Federal Reserve Bank of Chicago, provided an update on the key enhancements underway to increase engagement within the task force and with external stakeholders. The enhancements, she noted, are based on task force feedback and recommendations. Engagement will be measured by actively seeking task force feedback on satisfaction with the enhancements.

¹ Veronica Sellers, Senior Vice President and General Counsel, Federal Reserve Bank of Kansas City, reminded those in attendance to participate in a manner consistent with antitrust and other applicable laws.

Ms. Theien announced one upcoming enhancement to provide communication toolkits targeted to specific external audiences to allow members to speak about the task force's work products and accomplishments. Another enhancement, targeted to launch in mid-January, is a collaboration website, Knowledge Central, intended to archive task force content and allow members to interact and collaborate in groups. Ms. Theien provided clarity on attribution and information sharing guidelines, noting that individual attribution was agreed to in the Decision-Making Framework, whereby votes are public but not included in surveys, polls, and task force meeting summaries. Ms. Theien also noted that future interactions in Knowledge Central would involve self-identification by virtue of a member's participation. In response to the task force's request for information sharing guidelines, Ms. Theien noted that a system to label documents as public or confidential will be put into place. If a document is labeled as task force confidential it may only be shared within an organization if a member is participating under an organization agreement and may not be shared externally.

Capability Showcase

Dan Gonzalez, Vice President, Federal Reserve Bank of Chicago, provided an update on the high-level structure of the capability showcase. He noted that there is a strong desire to enable a public capability showcase, whereby presenters and viewers can be non-task-force members, and a semi-private portal for those in the task force. As a result, Mr. Gonzalez indicated that two delivery channels are being contemplated – a private channel through Knowledge Central that will require credentials to submit or view content and a public channel accessible to everyone through YouTube.

Mr. Gonzalez presented a high-level plan for "Office Hours," where those submitting to the capability showcase can have one-on-one dialogue presenters. The office hours will align with the February task force meeting and presenters will be provided a table outside of the meeting room. Non-task force members will be allowed to present capabilities. All submitters will be required to adhere to terms of use and user guidelines. In response to questions, Mr. Gonzalez noted that guidelines will be provided for showcase videos and that there will be no fee for presenting.

Proposal Assessment Architecture (PAA)

Scott Anchin, Federal Reserve Board, provided an update on the Proposal Assessment Architecture (PAA). The PAA is intended to provide guidance to proposers and to standardize proposals for the QIA team. Mr. Anchin noted that the PAA will give the QIA and task force members the details necessary to understand proposed solutions, end-to-end, and how they meet end-user needs as defined by the Effectiveness Criteria. He indicated that the PAA provides a template with three parts: A) a detailed end-to-end payments flow description, B) business considerations, and C) a self assessment against the Effectiveness Criteria. Mr. Anchin noted the next steps will be to set up a small Proposal Template Work Group to provide feedback to the drafting team, circulate a draft template to the task force in mid-to-late January, circulate a final draft proposal template for task force approval in February, and finalize the template in March. In response to a question, Mr. Anchin clarified that the proposal template will accommodate a group of vendors choosing to propose one solution.

Effectiveness Criteria

Ken Isaacson, Faster Payments Strategist, provided an update on the Effectiveness Criteria vote. As of the task force call, 42 percent of faster payments task force members had cast a vote on draft 5 of the Effectiveness Criteria, with one day left to vote. Mr. Isaacson provided preliminary voting results by segment. In response to a question, Ms. Theien described the plan to release the criteria after it is approved and finalized by the task force. She noted that there will be broad communications, including a press release. Ms. Theien indicated that individual voting records will be published to FedPaymentsImprovement.org, but the focus of communications will be to highlight the outcome of the vote rather than individual votes.

2016 Meetings and Close

Mr. Rodriguez provided an update on 2016 meetings and noted that a list of in-person meetings has been sent out. He noted that a conference call schedule is being developed and hopes to send it out to task force members by year-end. In response to a question regarding the glossary of terms, Mr. Rodriguez indicated that 20 new terms are currently under review and will be incorporated into the glossary shortly after year-end. Mr. Rodriguez ended the call thanking everyone for their participation in this initiative and wishing all a happy new year.