



Financial Services Policy Committee

A Committee of the Conference of Presidents
Federal Reserve System

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Federal Reserve Banks Laud Industry Response to Consultation Paper and Highlight Next Steps

Cleveland, OH, February 4, 2014 — Federal Reserve Bank leadership lauded the feedback received from payment system participants to the “Payment System Improvement – Public Consultation Paper,” noting that more than half the nearly 200 responses came from non-banks.

“We are thrilled with the number of responses received and with the diversity of perspectives represented by the responses,” commented Sandra Pianalto, president of the Federal Reserve Bank of Cleveland and chair of the Financial Services Policy Committee, which issued the paper. “On behalf of the Reserve Banks, I would like to thank the commenters for preparing such thoughtful and insightful responses. It’s critical that all ideas and perspectives are considered as we collectively identify the most promising opportunities to advance the U.S. payment system.”

Responses were submitted by individual financial institutions, businesses, payment networks and processors, software vendors, payment innovators, consultants, and consumers, as well as from trade groups representing financial institution and business members. Responses may be viewed at FedPaymentsImprovement.org/user-submissions/.

The Reserve Banks released the consultation paper in September 2013 with responses due in December 2013. The paper solicited comments on gaps and opportunities in the payment system; potential desired outcomes, strategies, and tactics to shape the future of U.S. payments; and the Fed’s role in implementing the strategies and tactics. Industry feedback was sought as input to the Reserve Banks’ decisions regarding future improvement initiatives, which will be communicated in a paper to be published in the second half of 2014.

“We are carefully reviewing the feedback that we have received on the consultation paper to identify common themes and issues for future focus, as well as insights into potential solutions,” noted Pianalto.

In concert with the analysis of responses, the Reserve Banks have a number of additional information-gathering efforts underway designed to inform future plans. Two of these efforts will further explore the needs related to faster retail payments described in one of the consultation paper’s desired outcomes. They include research on end-user demand for specific payment attributes and an assessment of alternatives for speeding U.S. payments. A third effort involves identifying gaps and opportunities related to payment system security.

To advance industry dialogue on key issues and gain further insight on needed improvements, updates will be shared with industry stakeholders in the coming months via a number of Fed and industry forums and communications. For more information on these opportunities and to subscribe to strategic direction updates from the Fed, visit FedPaymentsImprovement.org.

“The Reserve Banks remain committed to the continual improvement of the U.S. payment system and will work collaboratively with stakeholders this year and beyond to implement innovations that meet evolving end-user needs for speed, efficiency and security,” said Pianalto. “The input- and information-gathering underway will lay a strong foundation for the success of our future collective endeavors.”



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The FSPC is responsible for the overall direction of financial services and related support functions for the Federal Reserve Banks, as well as for providing Federal Reserve Bank leadership in dealing with the evolving U.S. payment system. The FSPC is composed of three Reserve Bank presidents and two Reserve Bank first vice presidents.