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Ms. Ann E. Misback
Board of Governors of the Federal Reserve System
Washington, DC 20551

RE: Docket No. OP – 1625
Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments, Request for Comments

Dear Ms. Misback,

Walmart thanks the Board of Governors of the Federal Reserve System (the "Board") for this opportunity to comment on the Board's "Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments, Request for Comments." (the RFC) Walmart has been a consistent leader in the payments industry in general, and in the efforts by the Board to align the United States to a goal of having ubiquitous faster payments by 2020.

In addition to our leadership roles in the Secure Payments Task Force, the Faster Payments Task Force, and the Governance Framework Formation Team, Walmart has been an active participant in the Federal Reserve Bank of Atlanta's Corporate Payments Advisory Group, The Federal Reserve Bank of Boston's Mobile Payments Industry Working Group, NACHA's Payments Innovation Alliance, and The Clearing House's Corporate Advisory Group. Walmart also recently joined the Faster Payments Coalition as a Founding Sponsor.

Through this engagement, Walmart has helped industry stakeholders understand the merchant perspective, but we have also been in a position to learn and understand the foundational shortcomings of the payments system in the United States. To wit, the United States lags far behind the rest of the world in meaningful payments innovations, and holds the dubious distinction of being the world leader in payments fraud.[1]

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[1] CMSPI. "Global Fraud Trend Analysis and Review 2018 – Commissioned by MAG" available at https://cmspi.com/nam/resources/global-fraud-analysis/

Walmart applauds the Board's efforts to advance innovation and security in concert through its Strategies to Improve the U.S. Payments System, and we urge the Board to continue to take steps to convene stakeholders and catalyze private action. We also urge the Board to take the steps described in the RFC, to develop, implement, and operate a 24 x 7 x 365 real-time gross settlement (RTGS) service.

Having observed the industry for decades, it is clear to Walmart that payments markets tend to defy our traditional understanding of competition and market forces. Unlike most industries, payments has an unfortunate combination of very high barriers to entry and severely misaligned incentives among the various stakeholders. While it is not clear that these problems can ever be resolved, we believe there are a number of ways the problems can be mitigated. One such way has been to have high quality services offered at a large scale by entities focused on cost-recovery as opposed to profit. Two primary examples in North America are the ACH in the United States and the Canadian debit card network, Interac.[2]

These payments systems have continued to see costs remain low, even decreasing as efficiencies of scale are realized. That is in stark contrast to nearly every other major payments system Walmart uses to accept consumer payments. The reason for the ACH continuing to operate so efficiently is directly attributable to the Federal Reserve's involvement as an ACH operator with a pure cost-recovery approach. This disciplines the marketplace in a way that has not happened in credit or debit card payments in the United States, and keeps any other ACH operators in check. Allowing any one for-profit operator to achieve a monopoly over a payment system would almost certainly result in loss of efficiency and ultimately an inferior product that increases societal costs.

Criteria for new services/enhancements to existing services

In the RFC, the Board outlines the criteria used to assess whether it is appropriate for the Federal Reserve to offer a new service or enhance an existing service: (1) the Federal Reserve should achieve full cost recovery, (2) the service will yield a clear public benefit, and (3) the service is one that other providers alone cannot be expected to provide with reasonable effectiveness, scope, and equity.

[2] While Interac is transitioning to a for-profit model, it achieved its scale as a non-profit

Will the Federal Reserve achieve full cost recovery of a RTGS system? It is difficult for any one company to determine whether the Federal Reserve would be able to recoup its investment in a RTGS system, as there are many variables involved. That said, we note that the Federal Reserve has a strong track record of developing and scaling operations that the rest of the market views as useful and is thus eager to pay for. Further, because financial institutions are dependent on the Federal Reserve for settlement services broadly, and are competing with each other for depository volume, Walmart believes it is highly likely that end-user demand will drive adoption of any RTGS service offered by the Federal Reserve.

Will the service yield a clear public benefit? For decades, the United States' payments system has continued to fall further and further behind the rest of the world. During this time other markets have been busy implementing faster payments and driving competition to constrain costs associated with payments. In contrast, the United States has continued to operate an archaic payments system wherein certain incumbents are enriched by preventing disruptive innovation from coming to market. The result is a payments system that is slower, more expensive, less reliable, and more fraud-prone than any other industrialized nation in the world.

It is Walmart's belief that, not only will the public benefit from provision of the RTGS system described in the RFC, but the public is currently suffering from lack of innovation and development of world class payments systems – the sort of innovation that the Federal Reserve can deliver at scale to ensure ubiquity and equity for all stakeholders. In fact, a Government Accountability Office report stated that relevant stakeholders (e.g., banks, credit unions, and providers of payment services) "said that the Federal Reserve has an important role to play in the payment system. Several market participants, including those that compete with the Reserve Banks in providing payment services, said that the Federal Reserve successfully promotes ubiquitous access to payment services and should continue to do so."[3]

[3] *See* U.S. Gov't Accountability Off., GAO-16-614, "Federal Reserve's Competition with Other Providers Benefits Customers, but Additional Reviews Could Increase Assurance of Cost Accuracy." (2016.) Available at https://www.gao.gov/products/GAO-16-614.

Is RTGS a service that other providers cannot be expected to provide with reasonable effectiveness, scope, and equity? In short, yes. While Walmart is well aware of efforts underway by a number of industry stakeholders to offer faster payments solutions, our view is that the Federal Reserve's participation is necessary to ensure the market achieves the necessary effectiveness, scope, and equity.

Effectiveness. Walmart is aware that there are many solutions in the market that allow users to transfer value from one end-user to another. Indeed, few participants use the variety and scale of payment systems that Walmart leverages to operate our business.

Each of these systems offers some value to its users, and most can be considered to be effective at what they do. That being said, to our knowledge there is only one solution in the market today that offers a suite of functionality that satisfies enough of the criteria defined by the Faster Payments Task Force to be considered a "Faster Payment" system. It is likely that others could emerge over time, but given the high barriers to entry in the payments space generally, Walmart is skeptical that new entrants will be positioned to offer these services effectively when facing competition from a large incumbent with considerable scale and a lengthy head start.

Scope. Walmart believes that the Federal Reserve is well-positioned to provide faster payments settlement services to the long tail of U.S. financial institutions. The long march to ubiquity is not complete until every account in the United States is able to transact with every other account, and absent a fundamental change in the core settlement platform, Walmart does not see a viable path to achieving this – certainly not by 2020. In addition to being in a unique position to modernize the core settlement architecture, the Federal Reserve is uniquely positioned to deliver a solution, including all of the associated services, at scale.

Equity. It is no secret that the payments markets are broken, and generally bereft of any meaningful competition for business end-users. In typical markets, competition and efficiency drive prices down. That has not been the case in payments anywhere in the world. Instead, the competition that exists in payments generally drives prices up. Because existing payments networks are largely shielded from competition for end-users, the scant efficiency gains that have come to market have served to improve margins for those companies.

Legislatures and payments system fiduciaries around the world have observed these problems and developed a variety of policy solutions to drive innovations and restrain the supracompetitive pricing that has plagued payments markets the world over.[4] Major markets such as China, Australia, and the European Union have seen fit to regulate payment card interchange, while a number of markets have made effective steps toward spurring competition in the payments markets.

Notably, India and the United Kingdom have seen tremendous levels of adoption for faster payments systems in those markets, particularly in India, has been the development of convenient, easy-to-use real-time payments solutions that have grown exponentially in adoption.

This transformation has been made possible through the intentional activity of government seeking to move the markets' payments systems forward. Walmart believes the Federal Reserve is positioned to do this in the United States and positioned to do so through a market-oriented approach that is equitable to all stakeholders, taking into consideration the perspectives of consumers, business end-users, technology providers, financial institutions, and payments network operators (to the extent the latter is necessary in the future). Existing providers are motivated by profits and are typically beholden to specific industry segments, meaning that the solutions they create are not likely to deliver the services in an equitable manner.

Deferred Net Settlement (DNS) vs. Real-Time Gross Settlement (RTGS).

While to a certain extent the distinction between DNS and RTGS systems is a question more relevant to payments system operators and financial institutions, Walmart does believe there are relevant end-user impacts of this decision that the Board should consider. At a high level, DNS systems maintain a level of counterparty risk in the payments flow that is eliminated in an RTGS system. That risk carries with it a cost that must be factored into the pricing model of the system. The up-front costs are likely higher for an RTGS than a DNS system. And at low volume the per-transaction costs associated with RTGS are likely higher than DNS.

[4] *See* Hayashi, Fumiko and Maniff, Jesse Leigh, "Public Authority Involvement in Payment Card Markets: Various Countries Augusts 2018 Update." (2018.) Available at https://www.kansascityfed.org/publicat/psr/dataset/pub-auth_payments_var_countries_August2018.pdf.

However, as volume through the platform grows, Walmart expects that costs associated with DNS's counterparty risks (which increase as volume increases) will outpace the marginal expenses associated with RTGS processing (which, on a per-transaction basis, decrease as volume increases).

Auxiliary Services

Building and implementing a wholly new settlement system for the United States will be a large, expensive, and complicated undertaking for the Federal Reserve. It will require coordinating a large array of diverse stakeholder groups to facilitate the development and implementation of complex, foundational services for the United States payments system.

That being the case, Walmart believes it is preferable to build a robust set of features and functionality at the outset to foster adoption and reduce the need for enhancements in the future.

The Board specifically asked about directory services and fraud-monitoring capabilities. In both cases Walmart strongly believes these would be beneficial, in particular directory services to facilitate interoperability of faster payments solutions. Interoperability will be the key to fostering adoption and volume of faster payments, and directory services will help to facilitate interoperability. In fact, as it relates to directory services, Walmart believes the Federal Reserve should not limit the functionality to faster payments. Should the Federal Reserve develop a directory service, we would urge that it be made available for other payments (e.g., ACH payments) as well as faster payments.

Additionally, Walmart believes that this system should include messaging capabilities to allow end-users to communicate with each other regarding the payments being conducted. One example of the type of message that would significantly enhance the utility of an RTGS system would be the ability to send a request for payment from one end-user to another. This would allow a faster payments system, which should rely on credit/push payments exclusively, to facilitate a wider breadth of payment flows. For example, a common reason for consumers to be late paying bills is that they simply forget to pay them. This results in loss of liquidity for the biller and potentially causes the consumer to incur late fees.

A faster payments system could allow the biller to send a request for payment, including the due date for the payment, and a consumer-facing application could streamline the process for paying by using the information in the biller's request to populate a push payment that the consumer could review, authorize, and submit to the biller in a matter of seconds.

Likewise, a real-time request for payment would facilitate payments in a number of retail scenarios. Rather than asking consumers to enter information about a particular retailer, the consumer could rely on the merchant to submit a request for payment, which would include sufficient information to ensure that both parties to the transaction can easily connect the payment being made to the particular transaction. This functionality would be particularly helpful when the payment and delivery are made after the order is placed, as is the case with many ecommerce and delivery services.

Public Benefits of RTGS

As noted above, there are a number of reasons why development of an RTGS system would benefit the public. Most notably, from Walmart's perspective, there are tremendous advantages in ensuring that consumer funds move quickly in both directions (i.e., consumer-to-business and business-to-consumer).

Consumer-to-business payments. While most observers of small business development and business strategists focus on a business's costs and its revenues, the truth is that many businesses that are profitable on paper are unable to operate because of negative cash flows. The ability to speed up settlement of payments between a business and its customers would have the potential to spur and sustain economic growth and entrepreneurship in the United States. Businesses with immediate funds availability from sales would be positioned to replenish inventory immediately, ensuring popular items remain in-stock and available for customers to purchase. Unfortunately, many small businesses wait 3-5 days for settlement from card payments. Small businesses often address this negative cash flow cycle through the use of credit lines for which they pay interest. By shortening the payments cycle, these small businesses would no longer need these credit lines just to maintain their operations and instead could reduce prices to increase sales or use the credit line to invest in expanding their business.

Business-to-consumer payments. There is also a considerable benefit to speeding up payments between businesses (including employers) and consumers. There are two particularly salient use-cases from Walmart's perspective.

First, ensuring that our associates receive their pay as soon as possible is important to us, and likely important to other employers. We are also interested in continuing to move away from paper checks, since they are more costly, less efficient, and less environmentally sound. It is likely that some people who insist on receiving a paper check might become comfortable with electronic pay if the funds were deposited and available immediately. Further, the ability to receive confirmation that funds were received would provide a level of assurance to employees and employers.

Second, Walmart, and likely other merchants that accept payments cards, continues to struggle with refunding our customers. Many Americans have limited liquidity, and must carefully manage every dollar. These customers depend on having access to 100% of their account balances in order to purchase the things they need for their household.

Unfortunately, when customers make purchases with their debit cards and use the cards' dual message network, any refunds issued can take several days to post back to their accounts. This lag means that the customer does not have the funds available to replace the item they have returned, which can be a real problem. Additionally, if the customer expects the funds to be credited immediately, they could inadvertently incur an overdraft fee if they make another purchase.

Walmart's view is that these issues, and likely many others that are plaguing our payments system today, would be mitigated or resolved through the use of a RTGS system to move funds from end-to-end in near-real-time. This is in addition to the below considerations related to accessibility, safety, and efficiency.

Accessibility. This is the clearest reason for the Federal Reserve to develop and operate a RTGS system. The clearest path to ubiquitous faster payments is an environment with at least two faster payments platform operators, all interoperating with each other. The only ubiquitous payment system in the country – the ACH – has achieved ubiquity in just this way. Financial institutions (and therefore their agents) are able to select an ACH operator that suits their needs, and the ACH operators use common formats and messages to allow for settlement across the platforms. The Federal Reserve is clearly well-positioned to bring this sort of arrangement to the faster payments space. As noted in the RFC, there is no other institution in the country with the banking relationships the Federal Reserve has.

Safety. Secure payments are also essential to our nation's economy. Unfortunately, for many payments system operators, profit-seeking (combined with an ability to offload fraud losses to other system participants) trumps security considerations, leaving end-users vulnerable to fraud that is easily prevented. Given the Board's focus on cost-recovery, as opposed to profit, Walmart believes the Federal Reserve is unlikely to allow profit-seeking to overshadow concerns around the safety and security of the payments system. Additionally, given the Federal Reserve's track record of operating the ACH system for decades, we can think of no better institution in which to entrust the safety of the next iteration of interbank payments in the United States.

Efficiency. Introducing a large, credible operator will provide the market with the confidence needed to drive adoption and thus efficiency in the marketplace. Even now, there remains a degree of uncertainty as to whether the market is going to move to faster payments as a matter of course. This uncertainty causes firms to take a "wait and see" approach, or to invest in upgrades to technology that would become obsolete should faster payments become the norm. If the Board makes the determination that the Federal Reserve is going to make this large investment, the market will respond to the implied certainty that such an announcement provides. Additionally, it is our belief that the Federal Reserve's involvement will allow smaller companies to develop and market solutions that will fill various niches in the ecosystem. The key to ensuring that, in our view, is developing a platform that will foster interoperability. Smaller financial institutions, who are unlikely to develop their own solutions, would benefit tremendously from a robust variety of offerings, and will be able to drive adoption of such solutions among their accountholders if the solutions don't require both ends of the transaction to use the same provider.

Respectfully,

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Questions Posed in the Notice

1.	Is RTGS the appropriate strategic foundation for interbank settlement of faster payments? Why or Why not?
Walmart Answer	Yes. Walmart has noted a number of the benefits of developing an RTGS platform to support faster payments, as well as other payment types that would benefit from faster settlement. Our belief is that the costs associated with developing the RTGS platform will be easily outweighed by the benefits that will accrue to the payments system over the long-term by building the most robust platform available today.
2.	Should the Federal Reserve Banks develop a 24x7x365 RTGS settlement service? Why or why not?
Walmart Answer	Yes. As discussed above, Walmart believes that the Federal Reserve is uniquely positioned in the market to deliver this service. The Federal Reserve has relationships with every financial institution in the country, a long track record of delivering world-class payments and settlement services, and a reputation in the marketplace as an honest broker of interests among the various stakeholder groups. Throughout the course of the Federal Reserve's execution on its strategies to improve the payments system, this reputation has been bolstered, as stakeholders have found common ground via Federal Reserve-sponsored forums and task forces.

3. a.	If the Reserve Banks develop a 24x7x365 RTGS settlement service, will there be sufficient demand for faster payments in the United States in the next ten years to support the development of a 24x7x365 RTGS settlement service? What will be the sources of the demand? What types of transactions are most likely to generate demand for faster payments?
Walmart Answer	Yes, Walmart anticipates sufficient demand to support the development of a 24x7x365 RTGS service. Our expectation is that there will be a wide variety of demand for the service, including use cases that are made possible by its very existence. Provided that the service includes the necessary auxiliary services and properties (e.g., directory services, request-for-payment messages, standard messaging formats to ensure interoperability), There are many consumer-to-business applications that would see tremendous volume. Consumers could use such services to pay bills, set up embedded payments for ecommerce purchases that do not require the use of sensitive account credentials, make payments in physical retail stores using their mobile devices (again, without exposing sensitive account credentials), make micro-payments for consuming digital content (a business model that is difficult to execute in today's payments environment), and quickly and easily pay back their friends, send gifts to family, and compensate small businesses for services rendered. The business-to-consumer use cases were discussed above, and Walmart believes there will be strong demand for payroll and refunds, but also for payments between corporations and independent contractors (e.g., Uber, AirBNB, TaskRabbit). These businesses compete for the services provided by these independent contractors, and many view speed of payment as a competitive differentiator.

3. b.	If the Reserve Banks develop a 24x7x365 RTGS settlement service, what adjustments would the financial services industry and its customers be required to make to operate in a 24x7x365 settlement environment? Are those adjustments incremental or substantial? What would be the time frame required to make these adjustments? Are the costs of adjustment and potential disruption outweighed by the benefits of creating a 24x7x365 RTGS settlement service? Why or why not?
Walmart Answer	Walmart does not have a detailed perspective regarding the specific costs the financial services industry would incur. However, in addition to the consumer benefits discussed above, our expectation is that many small financial institutions would see reduced expenses resulting from the availability of this service from the Federal Reserve, when compared to the likely alternatives of using a product marketed by competitors or developing or implementing a solution of their own.
3. c.	If the Reserve Banks develop a 24x7x365 RTGS settlement service, what is the ideal timeline for implementing a 24x7x365 RTGS settlement service? Would any potential timeline be too late from an industry adoption perspective? Would Federal Reserve action in faster payment settlement hasten or inhibit financial services industry adoption of faster payment services? Please explain.
Walmart Answer	From our perspective, there is opportunity to develop this service and bring it to market. It is too speculative to say what the ideal timeline would be, as in many ways the determination of the timeline will be driven by the decisions the Board makes regarding the services to be offered. It is also difficult to determine, at least from our vantage point, whether there is a timeline that would be "too late," as the industry is very much in flux, though as noted above the United States lags far behind other nations. While it is possible that, in the short term, adoption of faster payments might slow to align with the Federal Reserve's implementation, our view is that any delay in activity in the near-term would easily be offset by increased speed of adoption in the medium-term.

3. d.	If the Reserve Banks develop a 24x7x365 RTGS settlement service, what adjustments (for example, accounting, operations, and agreements) would banks and bank customers be required to make under a seven-day accounting regime where the Reserve Banks record and report end-of-day balances for each calendar day during which payment activity occurs, including weekends and holidays? Would banks want the option to defer receipt of such information for nonbusiness days to the next business day? If necessary changes by banks represent a significant constraint to timely adoption of seven-day accounting for a 24x7x365 RTGS settlement service, are there alternative accounting or operational solutions that banks could implement?
Walmart Answer	Walmart would generally defer to the comments submitted by the financial institutions and their core processors regarding much of the content covered by this question. That said, it is likely that banks' business customers would in some cases request that accounting entries occur on business days, essentially shielding the accountholders from changes, at least when the RTGS is initially implemented. Over time, we would expect many corporate treasury departments would see value in having immediate settlement of funds and would develop internal procedures and technology to facilitate real-time settlement.
3. e.	If the Reserve Banks develop a 24x7x365 RTGS settlement service, what incremental operational burden would banks face if a 24x7x365 RTGS settlement service were designed using accounts separate from banks' master accounts? How would the treatment of balances in separate accounts (for example, ability to earn interest and satisfy reserve balance requirements) affect demand for faster payments settlement?
Walmart Answer	In general, the more flexibility the RTGS system provides to its users, the more demand the RTGS system is likely to see. It might be that many financial institutions and their customers are adequately served by allowing access solely to the master accounts while in other cases, particularly in scenarios involving bank agents transacting on behalf of a number of financial institutions, it is likely that additional flexibility would drive adoption.

3. f. i.	If the Reserve Banks develop a 24x7x365 RTGS settlement service, regarding auxiliary service options, is a proxy database or directory that allows faster payment services to route end-user payments using the recipient's alias, such as e-mail address or phone number, rather than their bank routing and account information, needed for a 24x7x365 RTGS settlement service? How should such a database be provided to best facilitate nationwide adoption? Who should provide this service?
Walmart Answer	Our view is that a directory service is likely necessary to drive sufficient volume to achieve cost recovery within ten years. While there are considerable use-cases that would rely on traditional transaction credentials, particularly business-to-business payments of various kinds, the volume achieved by unlocking consumer payments will be critical for achieving cost recovery and beginning to enjoy efficiencies of scale. Walmart hesitates to provide specific directions regarding how such a database should be developed, other than to say that it should be considered a public asset to which all stakeholders contribute and from which all stakeholders benefit. We can envision a central repository, managed by the Federal Reserve, into which stakeholders provide account credentials and aliases for use in routing across various service providers. Developing this functionality into the core of the proposed RTGS infrastructure would be ideal, but there are likely many ways this can be achieved, and we would urge the Federal Reserve to create a cross-industry stakeholder work group to provide direction, leveraging the work already done by the Directories Work Group.

3. f. ii.	If the Reserve Banks develop a 24x7x365 RTGS settlement service, regarding auxiliary service options, are fraud prevention services that provide tools to detect fraudulent transfers needed for a 24x7x365 RTGS settlement services? How should such tools be provided? Who should provide them?
Walmart Answer	No electronic payment system can operate in today's world without adequate fraud controls along all points of transaction processing, from enrollment into accounts and payment services, to issuance of payment credentials, to authentication of users and devices for individual transactions, to authorization of each transaction. Robust, flexible, risk-based fraud controls are essential to the public's confidence in payment systems. Unfortunately, Walmart has observed a troubling trend in the payments industry. Entities that are well-positioned to develop and implement more secure payments technology are also positioned to seek profits from marketing fraud prevention solutions. This creates a misalignment of incentives, as entities positioned to create secure solutions profit from ongoing fraud risks in a way that disincentivizes the development and implementation of secure payments solutions. For this reason, Walmart believes the Federal Reserve is optimally positioned to provide fraud controls and other fraud-prevention services related to the RTGS system. Because the Federal Reserve's focus is on cost-recovery and societal benefits derived from a strong payment system, as opposed to profit-seeking, there would be a strong alignment of interests that would inure to the benefit of all participants.

3. f. iii.	If the Reserve Banks develop a 24x7x365 RTGS settlement service, regarding auxiliary service options, how important are these auxiliary services for adoption of faster payment settlement services by the financial services industry? How important are other service options such as transaction limits for risk management and offsetting mechanisms to conserve liquidity? Are there other auxiliary services or service options that are needed for the settlement service to be adopted?
Walmart Answer	As a business end-user, Walmart views these auxiliary services as vitally important for adoption of the RTGS system. In addition to the services mentioned, we direct your attention to the above discussion regarding the provision of messaging services, specifically a request-for-payment message.
3. g.	How critical is interoperability between RTGS services for faster payments to achieving ubiquity?
Walmart Answer	See comments above regarding interoperability. In short, interoperability is a critical component of the consumer experience.
3. h.	Could a 24x7x365 RTGS settlement service be used for purposes other than interbank settlement of retail faster payments? If so, for what other purposes could the service be used? Should its use be restricted and, if so, how?
Walmart Answer	The use cases Walmart discussed herein would be adequately served by an RTGS system that is limited to interbank settlement of faster payments. That said, there are potentially circumstances in which other existing payments systems (e.g., the ACH) would benefit from use of an RTGS system, and could potentially provide an even lower-cost option for certain payments. While we would defer to the expertise of the Board and the other prudential regulators regarding restrictions of use, we are not aware of any reason to restrict the use to faster payments transactions.

3. i.	Are there specific areas, such as liquidity management, interoperability, accounting processes, or payment routing, for which stakeholders believe the Board should establish joint Federal Reserve and industry teams to identify approaches for implementation for 24x7x365 RTGS settlement service?
Walmart Answer	Yes. Walmart believes the RTGS system developed by the Federal Reserve would be well-served to compile a cross-industry steering committee, consisting of representatives from key stakeholder segments, including business end-users, consumer advocates, financial institutions, networks, and financial technology firms.
7.	If the Federal Reserve pursues one or both of these actions [RTGS and liquidity management tool], do they help achieve ubiquitous, nationwide access to safe and efficient faster payments in the long run? If so, which of the potential actions, or both, and in what ways?
Walmart Answer	We believe the above comments are responsive to this question, as it relates to the development of a RTGS system. In general, we believe the Federal Reserve's participation in this market is essential to providing a safe, efficient, equitable, and ubiquitous faster payments system in the United States.

8.	What other approaches, not explicitly considered in this notice, might help achieve the broader goals of ubiquitous, nationwide access to faster payments in the United States?
Walmart Answer	Since the introduction of electronic payments, the payments industry in this country has been bereft of real competition, and has therefore been content with inefficiencies bred from the ongoing use of 1960s technology in the 21st century. This lack of competition, combined with extremely high margins associated with payment card issuance, has removed motivations to innovate for fear of disrupting a highly lucrative business model. The proposal outlines a market-based approach to spawning innovation in this space. Walmart believes an alternative to this approach would be revisiting Regulation II and further reducing the fee standard contained therein. Reducing the profitability of debit card programs will incentivize innovation, as financial institutions will no longer be concerned with disrupting this reliable, albeit inefficient, revenue stream.
9.	Beyond the provision of payment and settlement services, are there other actions, under its existing authority, the Federal Reserve should consider that might help its broader goals with respect to the U.S. payment system?
Walmart Answer	See answer to question 8 above.