



December 14, 2018

VIA EMAIL: regs.comments@federalreserve.gov

Ann Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

RE: Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments [Docket No. OP-1625, FRS-2018-0351-0001]

Dear Secretary Misback:

The National Association of Truckstop Operators (“NATSO”) appreciates the opportunity to comment on the Federal Reserve Board’s (“FRB” or “Board”) potential actions to promote ubiquitous, safe, and efficient faster payments in the United States.¹ NATSO hopes the Board will update the nation’s payment infrastructure to support faster and more efficient payments, and encourages the Board to take an active role in the process to guarantee competition in the payments space.

Overview of NATSO and its Members

NATSO is a national trade association representing travel plaza and truckstop owners and operators. NATSO currently represents approximately 2,000 travel plazas and truckstops nationwide, comprised of more than 1,000 chain locations and hundreds more independent locations. More than 80 percent of NATSO members’ facilities are located within one-quarter mile of the Interstate Highway System, serving interstate travelers exiting the highway and acting as the “home away from home” for the nation’s professional truck drivers.

NATSO’s members operate in a complex, diverse, and evolving industry. Every travel center and truckstop includes multiple services, from motor fuel sales to auto-repair and supply shops, to hotels, sit-down restaurants, quick-service restaurants and food courts, and convenience stores. It is an evolving industry that once was tailored primarily to truck drivers, and now caters to the entire traveling public, as well as the local population that lives in close proximity to a travel center location.

¹ Board of Governors of the Federal Reserve System, Request for Comment, *Potential Federal Reserve Actions to Support Interbank Settlement of Faster Payments*, 83 Fed. Reg. 57351 (Nov. 15, 2018), available at <https://www.regulations.gov/document?D=FRS-2018-0351-0001>.

Comments on the Proposal

Efficient and effective operations at truckstops allow NATSO's members to sell products to the trucking industry and the American public at lower costs. This makes the costs of traveling less expensive and lowers the costs of transporting goods by truck, which can serve to make all goods more affordable. To that end, NATSO supports the FRB's intentions to make the U.S. payments system more efficient and effective, which will benefit consumers. While traditional payment methods (including checks, credit cards, debit cards, and automated clearinghouse (ACH) payments) are widely used today—they are not as fast as they need to be in the modern economy. As such, the U.S. system continues to fall further behind other countries, which have focused on faster payments.

The inefficiency of the payment system impacts the travel center industry on a daily basis, an industry comprised of American businesses that are trying to survive and grow while using an outdated payments infrastructure. To address this, the Federal Reserve should upgrade and enhance the payments system, and should do so via implementation of real-time gross settlement ("RTGS"). RTGS would be the fastest and most efficient means to update our system—and by providing such a service, the Federal Reserve will be guaranteeing a critical public benefit that will provide modern speed and efficiency to U.S. payments.

It is essential, however, that the Board administer this system because the private market it is not capable of doing so. Where the Federal Reserve has been a participant—such as in the ACH system—the system has remained economically competitive and maximized efficiency. This is in stark contrast to the monopolistic payment card marketplace, which is marred by inefficiency, bloated costs, and fraud. Because for-profit companies dominate an anticompetitive payments system today, they do not have the incentive and will not bring about a more efficient, real-time payment system. In short, the nation cannot rely on the incumbent financial services market players to drive this innovation. The Federal Reserve must make this happen; it is the only entity that can do so with reasonable effectiveness, scope, and equity.

Conclusion

NATSO appreciates the opportunity to provide these comments. Should the Board have further questions, NATSO is prepared to provide additional assistance.

Sincerely,



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Legislative and Regulatory Counsel
NATSO