



## Credit Operations

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VIA ELECTRONIC FILING – [www.regulations.gov](http://www.regulations.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,

Kwik Trip, Inc. 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.<sup>1</sup> Kwik Trip, Inc. believes it is very important for the Board to 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.

Kwik Trip, Inc. is headquartered in La Crosse Wisconsin, and operates 655 convenience stores located in Wisconsin, Minnesota and Iowa. We operate stores under the following banners, Kwik Trip, Kwik Star, Tobacco Outlet Plus Grocery, and Tobacco Outlet. Kwik Trip currently employs 20,000 co-workers in our retail locations and another 2,700 co-workers on our corporate campus in La Crosse Wisconsin.

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<sup>1</sup> 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), <https://www.regulations.gov/document?D=FRS-2018-0351-0001>.

### OUR MISSION

*To serve our customers and community more effectively than anyone else by treating our customers, co-workers and suppliers as we, personally, would like to be treated, and to make a difference in someone's life.*

Kwik Trip process many payments throughout the year including:

- 1.6 MM payments for our guest through our proprietary payment card program, including checks and ACH payments
- 2 MM checks processed for payment at our stores for purchases our guests make
- 200,000 payments to vendors for product and services rendered including via ACH, paper check, credit card and wire transfer

In addition, Kwik Trip, Inc. receives into our bank accounts, and or transfers out of our bank accounts millions of dollars each day, including payments from credit card companies, transfers between bank accounts, and payments for petroleum products and property closings.

Kwik Trip, Inc. supports the FRB's intentions to update the U.S. payments system, which will lead to a clear public benefit. 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. This is a problem for the broader U.S. economy and American businesses that are trying to survive and grow while using an outdated payments infrastructure. To address this, the Federal Reserve should move forward to 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 make this change and administer it because the private market will not do it. 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.

Thank you for the opportunity to provide these comments. Should the Board have further questions, Kwik Trip, Inc. is prepared to provide additional assistance.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Wagner", with a long, sweeping horizontal line extending to the right.

David P Wagner  
Controller