at any stage of a commercial or customer dispute. In order to provide its ombuds and mediation services, CADRS needs certain identifying information about the involved parties and nature of the dispute. In response to requests for assistance from the public, CADRS requests this information from parties seeking its assistance. The collection and use of this information on a cruise dispute is integral to CADRS staff's ability to efficiently review the matter and provide assistance. Aggregated information may be used for statistical purposes. *http://www.fmc.gov/resources/requesting_cadrs_assistance.aspx*.

The proposed revision to Form FMC–32 would add a request for booking or ticket contract number and would remove a request to indicate whether the cruise departed from a U.S. port.

As required by the Administrative Dispute Resolution Act (ADRA), 5 U.S.C. 571 *et seq.,* the information contained in these forms is treated as confidential and subject to the same confidentiality provisions as administrative dispute resolutions pursuant to 5 U.S.C. 574. Except as specifically set forth in 5 U.S.C. 574, neither CADRS staff nor the parties to a dispute resolution shall disclose any informal dispute resolution communication.

This information collection is subject to the PRA. The FMC may not conduct or sponsor a collection of information, and the public is not required to respond to an information collection, unless it is approved by the OMB under the PRA and displays a currently valid OMB Control Number. In addition, notwithstanding any other provisions of law, no person shall be subject to penalty for failing to comply with a collection of information that does not display a valid Control Number. See 5 CFR 1320.5(a) and 1320.6.

Request for Comments: The FMC solicits written comments from all interested persons about the proposed collection of information. The Commission specifically solicits information relevant to the following topics: (1) Whether the collection of information described above is necessary for the proper performance of the Commission's functions, including whether the information would have practical utility; (2) whether the estimated burden of the proposed collection of information is accurate; (3) whether the quality, utility, and clarity of the information to be collected could be enhanced; and (4) whether the burden imposed by the collection of information could be minimized by use of automated, electronic, or other forms of information technology.

The FMC will consider the comments received and amend the ICR as appropriate. The final ICR package will then be submitted to OMB for review and approval pursuant to 5 CFR 1320.10. FMC will issue another **Federal Register** announcement pursuant to 5 CFR 1320.5(a)(1)(iv) to announce the submission of the ICR to OMB and the opportunity to submit additional comments to OMB. If you have questions about this ICR or the approval process, please contact the person listed under **FOR FURTHER INFORMATION CONTACT.**

Authority: 46 U.S.C. 44101 *et seq.*

Rachel Dickon,
Secretary.

[FR Doc. 2019–10145 Filed 5–15–19; 8:45 am]

BILLING CODE 6731–AA–P

FEDERAL MARITIME COMMISSION

[Docket No. 19–03]

Muhammad Rana, Complainant v. Michelle Franklin, d.b.a. ''The Right Move Inc.'', Respondent; Notice of Filing of Complaint and Assignment

Served: May 13, 2019.

Notice is given that a complaint has been filed with the Federal Maritime Commission (Commission) by Muhammad J. Rana, hereinafter ''Complainant'', against Michelle Franklin, d.b.a. ''The Right Move Inc.'', hereinafter ''Respondent''. Complainant states that he ''. . . is a U.S. citizen who was temporarily relocating his residence from Alexandria, Virginia to Islamabad, Pakistan.'' Complainant states that Respondent ''. . .is an individual ocean shipping/freight forwarder doing business as 'The Right Move, Inc.''' with FMC Registration #023229N.

Complainant states that ''On February 6, 2019, [he] and the [R]espondent entered into an agreement through electronic mail where the [C]omplainant retained the services of the [R]espondent.'' Complainant alleges that the Respondent agreed to ''. . . arrange for the pick-up of [C]omplainant's household goods of personal effect in a 20-foot container and ship/deliver it to the Port Qasim, Karachi, Pakistan for pick up by the [C]omplainant.'' Complainant alleges that he could not receive his container ''. . . because ocean freight/shipping charges had not been paid by the [R]espondent.''Complainant alleges that Respondent's failure to pay ocean freight charges and uncooperativeness in providing proof such charges were paid ''. . . constitute an unreasonable practice related to the delivery of property in violation of 46 U.S.C. 41102(c) [formerly § 10(d)(1) of the Shipping Act].''

Complainant requests that the Commission: award $4,509.40 in compensatory damages, over $77,000 in other damages; revoke the Respondent's FMC license; and ''issue further order(s) as the Commission determines to be proper''; and other relief. The full text of the complaint can be found in the Commission's Electronic Reading Room at *https://www2.fmc.gov/readingroom/proceeding/19-03/*.

This proceeding has been assigned to Office of Administrative Law Judges. The initial decision of the presiding office in this proceeding shall be issued by May 13, 2020, and the final decision of the Commission shall be issued by November 30, 2020.

Rachel Dickon,
Secretary.

[FR Doc. 2019–10151 Filed 5–15–19; 8:45 am]

BILLING CODE 6731–AA–P

FEDERAL RESERVE SYSTEM

[Docket No. OP–1664]

Potential Modifications to the Federal Reserve Banks' National Settlement Service and Fedwire® Funds Service To Support Enhancements to the Same-Day ACH Service and Corresponding Changes to the Federal Reserve Policy on Payment System Risk, Request for Comments

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice and request for public comment.

SUMMARY: The Board of Governors (Board) is requesting comment on potential modifications to the Federal Reserve Banks' (Reserve Banks) payment services to facilitate adoption of a later same-day automated clearinghouse (ACH) processing and settlement window. Specifically, the Reserve Banks would extend the daily operating hours of the National Settlement Service (NSS) to allow the private-sector ACH operator to settle its in-network transactions resulting from the later same-day ACH window. To support these new NSS operating hours, the Reserve Banks would extend the daily operating hours of the Fedwire® Funds Service, creating implications for extension policies for contingencies that might result in more frequent delays to the reopening of the Fedwire® Funds Service. Finally, the Board is requesting

comment on corresponding changes to the Federal Reserve Policy on Payment System Risk related to a new posting time and an increase to the daylight overdraft fee rate.

DATES: Comments must be received by July 15, 2019.

ADDRESSES: You may submit comments, identified by Docket No. OP–1664, by any of the following methods:

• *Agency website: http://www.federalreserve.gov.* Follow the instructions for submitting comments at *http://www.federalreserve.gov/apps/foia/proposedregs.aspx.*

• *Email: regs.comments@federalreserve.gov.* Include docket number in the subject line of the message.

• *Fax:* (202) 452–3819 or (202) 452–3102.

• *Mail:* Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551.

All public comments are available from the Board's website at *http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm* as submitted, unless modified for technical reasons or to remove personally identifiable information at the commenter's request. Accordingly, comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper in Room 146, 1709 New York Avenue NW, Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays.

FOR FURTHER INFORMATION CONTACT: Michael Ballard, Senior Financial Institution and Policy Analyst (202–452–2384); Mark Magro, Manager (202–452–3944), Division of Reserve Bank Operations and Payment Systems; or Evan H. Winerman, Senior Counsel (202–872–7578), Legal Division; for users of Telecommunication Devices for the Deaf (TDD) only, contact (202–263–4869).

SUPPLEMENTARY INFORMATION:

I. Background

The ACH network serves as a ubiquitous, nationwide mechanism for processing batch-based credit and debit transfers electronically. Currently, the ACH network includes two network operators: The Reserve Banks, through FedACH®, and The Clearing House (TCH), through the Electronic Payments Network (EPN). The ACH network is governed by the rules of the ACH operators, which generally incorporate the NACHA Operating Rules and Guidelines adopted by NACHA's members.[1] In the ACH network, originating depository financial institutions (ODFIs) are defined as those entities that originate ACH transactions while receiving depository financial institutions (RDFIs) receive ACH transactions.

Currently, there are three ACH processing and settlement windows: One that allows for the processing and settlement of ACH transactions the next business day and two that allow for the processing and settlement of ACH transactions on the same business day. In 2015, NACHA members approved amendments to the Operating Rules and Guidelines that required all RDFIs to accept same-day ACH payments, with ODFIs paying an interbank fee to RDFIs for each same-day ACH forward transaction.[2] Beginning in 2016, the ACH operators adopted two same-day ACH windows: (1) A morning window with a submission deadline at 10:30 a.m. ET and settlement at 1:00 p.m. ET and (2) an afternoon window with a submission deadline at 2:45 p.m. ET and settlement at 5:00 p.m. ET. During each window, the ACH operators process the transactions received by the submission deadline and either distribute the transactions to RDFIs that are their direct customers or exchange with each other the ACH transactions that are destined to RDFIs that are customers of the other operator. The Reserve Banks settle all ACH transactions that are originated or received by FedACH® customers, including transactions that are exchanged between the two operators. TCH arranges settlement for only those ACH transactions that are originated and received by TCH customers (that is, in-network transactions). The Reserve Banks settle ACH transactions by posting credits and debits to the sending and receiving banks' Federal Reserve accounts at the settlement time and date provided in the FedACH® processing schedule. TCH uses NSS to settle its in-network ACH transactions in participants' Federal Reserve accounts, typically sending NSS files at the same times the Reserve Banks settle FedACH® transactions.

In December 2017, NACHA proposed a third same-day ACH window that would allow an ODFI to submit same-day ACH transactions later in the day. Specifically, NACHA proposed an afternoon submission deadline of 4:45 p.m. ET with settlement at 6:00 p.m. ET.[3] NACHA's proposal was intended to allow originators, ODFIs, and other participants to use the same-day ACH service during a greater portion of their business hours.[4] The current deadline for the afternoon window is early in the business day for ODFIs outside the eastern time zone, reducing the ability of those financial institutions, originators, and end users to take full advantage of existing same-day ACH services. To meet the operators' processing deadlines, ODFIs may need to impose even earlier deadlines for their originators (for example, merchants), particularly if such ODFIs rely on correspondent institutions to process their ACH transactions.

NACHA's membership approved the proposal on September 13, 2018.[5] The amended operating rules, however, are contingent on changes to Reserve Bank services necessary to enable the third same-day ACH window.[6] These changes are discussed in further detail below.

While the proposals discussed in this notice fall under the general topic of enhancing existing services, the Board is not at this time directly addressing the comments received in response to its October 2018 request for public comment on potential actions the Federal Reserve could take to support faster (real-time) payments in the United States. Those potential actions included development of (1) a service for 24x7x365 real-time interbank settlement of faster payments and (2) a liquidity management tool that would enable transfers between Reserve Bank

[1] NACHA's membership consists of insured depository financial institutions and regional payment associations. As an ACH operator, the Reserve Banks, through Operating Circular 4, generally incorporate NACHA's Operating Rules and Guidelines as rules that govern clearing and settlement of commercial ACH transactions (*i.e.,* non-government ACH transactions) by the Reserve Banks. The Reserve Banks, as fiscal agents of the United States, also handle ACH transactions for which an agency of the Federal Government is the sending bank or the receiving bank under Treasury Department regulations (including 31 CFR parts 210, 203, and 370) and Treasury procedures.

[2] The Reserve Banks started offering an optional FedACH® SameDay Service to Reserve Bank ACH customers in 2010, but it experienced limited adoption because participation was voluntary, with few RDFIs signing up to accept same-day ACH payments. These amendments were approved by NACHA's voting members in 2015 and became effective in three phases, beginning with same-day ACH credits in September 2016, same-day ACH debits in 2017, and faster funds availability in March 2018. The Board requested comment on enhancements to align FedACH® services with the amendments in May 2015 and approved the enhancements in September 2015. *See* 80 FR 30246, 30248 (May 27, 2015) and 80 FR 58248, 58253 (Sep. 28, 2015).

[3] As noted in NACHA's proposal, schedules and timing will be determined by each ACH operator and are not set by the amended operating rules.

[4] *See https://www.nacha.org/rules/expanding-same-day-ach.*

[5] *See https://www.nacha.org/news/same-day-ach-will-be-enhanced-meet-ach-end-user-needs.*

[6] *See* n.4, *supra.*

accounts on a 24x7x365 basis.[7] The Board continues to evaluate, and will separately respond to, comments on the 2018 notice. The notice issued today is narrowly focused on whether the Reserve Banks should modify the operating hours for their wholesale services to support a third same-day ACH processing and settlement window.

II. Potential Modifications to Reserve Bank Payment Services

The Board is seeking comment on potential modifications to the operating hours of NSS and the Fedwire Funds Service to facilitate adoption of a later same-day ACH processing and settlement window with an afternoon submission deadline of 4:45 p.m. ET and settlement at 6:00 p.m. ET.

Specifically, the current closing time of NSS is 5:30 p.m. ET, 30 minutes earlier than NACHA's proposed 6:00 p.m. ET settlement time for the third same-day ACH window. In order to accommodate this later same-day ACH window, the Reserve Banks would extend the closing of NSS one hour, from 5:30 p.m. ET to 6:30 p.m. ET. This proposed change to NSS operating hours would allow TCH to settle in-network same-day ACH transactions submitted during the third same-day ACH window. The Federal Reserve has previously undertaken similar operating-hour extensions to support private-sector payment systems.[8]

The proposal to extend NSS operating hours would also require the Reserve Banks to (1) extend the closing of the Fedwire Funds Service by 30 minutes, from 6:30 p.m. ET to 7:00 p.m. ET, and (2) extend the cutoff time for Reserve Bank accountholders to initiate transfers on behalf of third parties via the Fedwire Funds Service (Fedwire Funds third-party cutoff) by 45 minutes, from 6:00 p.m. ET to 6:45 p.m. ET.[9] This change would reduce the time between the Fedwire Funds third-party cutoff and the closing of the Fedwire Funds Service by 15 minutes. Collectively, these proposed changes are intended to allow sufficient time between the closing of NSS, the Fedwire Funds third-party cutoff, and the closing of the Fedwire Funds Service, in order for depository institutions and their customers to reposition balances and manage liquidity. Table 1 summarizes the current and proposed closings and cutoffs for Reserve Bank services, while table 2 illustrates the changes in times between service closings and cutoffs.

TABLE 1

	Current closings/cutoffs	Proposed closings/cutoffs
NSS closing	5:30 p.m. ET	6:30 p.m. ET.
Fedwire Funds third-party cutoff	6:00 p.m. ET	6:45 p.m. ET.
Fedwire Funds Service closing	6:30 p.m. ET	7:00 p.m. ET.

TABLE 2

	Current time between closings/cutoffs (minutes)	Proposed time between closings/cutoffs (minutes)
Time between closing of NSS and Fedwire Funds third-party cutoff	30	15
Time between Fedwire Funds third-party cutoff and closing of Fedwire Funds Service	30	15
Time between closing of NSS and Fedwire Funds Service	60	30

III. Discussion and Request for Comment

The potential modifications to operating hours for NSS and the Fedwire Funds Service are each considered major service enhancements. Any potential new payment service or major enhancements to an existing service must meet the following criteria: The Federal Reserve must expect to achieve full recovery of costs over the long run; the Federal Reserve must expect that its providing the service will yield a clear public benefit; and the service should be one that other providers alone cannot be expected to provide with reasonable effectiveness, scope, and equity.[10]

The Board expects that, over the long run, the Reserve Banks would be able to recover the costs associated with the proposed extended operating hours. The proposed operating hours for NSS and the Fedwire Funds Service would require minor technical changes and additional staffing during the extended business day, resulting in minimal one-time implementation costs and ongoing additional staffing costs. The Reserve Banks anticipate recovering these costs through existing fees charged for NSS and the Fedwire Funds Service.

The Board also expects that extending operating hours for NSS and the Fedwire Funds Service to support a

[7] 83 FR 57351, 57364 (Nov. 15, 2018).

[8] Specifically, the Reserve Banks extended NSS operating hours in 2015 from 5:00 p.m. ET to 5:30 p.m. ET so that operators of private-sector check-clearing systems could settle transactions at the same time the Reserve Banks post commercial check transactions. The Board had amended Part II of the PSR policy to establish a new 5:30 p.m. ET posting time for commercial check transactions settled through the Reserve Banks. *See* 79 FR 72112, 72116 (Dec. 5, 2014) (noting that ''[t]he establishment of posting rules outside of the NSS operating day could potentially create competitive disparities between Reserve Bank and private-sector clearing and settlement systems'').

[9] The Federal Reserve has long provided at least 30 minutes between the last NSS settlement and the closing of the Fedwire Funds Service, recognizing that ''the Fedwire funds transfer service is the primary alternative for orderly and efficient settlement of bilateral obligations in case a settlement arrangement is unable to complete its multilateral settlement through NSS.'' *See* 63 FR 60000, 60004 (Nov. 6, 1998). Further, NSS settlement entries may result in changes to depository institutions' master account positions, necessitating the use of the Fedwire Funds Service to send or receive funds to close the day at the position they intend. The Fedwire Funds third-party cutoff was established to stop the flow of customer transactions and allow financial institutions a settlement period to conduct bank-to-bank transfers to adjust master account positions before the closing of the Fedwire Funds Service. The current Fedwire Funds third-party cutoff of 6:00 p.m. ET was established in 1990. *See* 55 FR 18755, 18758 (May 4, 1990).

[10] Clear public benefits include promoting the integrity of the payment system, improving the effectiveness of financial markets, reducing the risk associated with payment and securities-transfer services, or improving the efficiency of the payment system. Board of Governors of the Federal Reserve System, ''Federal Reserve in the Payment System,'' Issued 1984; revised 1990. Available at *http://www.federalreserve.gov/paymentsystems/pfs_frpaysys.htm.*

third same-day ACH window would offer public benefits. Same-day ACH transactions are used for payroll (especially emergency payroll), business-to-business payments, consumer bill payments, and consumer account-to-account payments. By allowing ODFIs to submit same-day ACH transactions later in the business day, the third same-day ACH window could encourage more ODFIs (particularly those in the Pacific and mountain time zones) to offer same-day ACH to their customers, potentially increasing usage more broadly and resulting in increased adoption of same-day ACH payments. This in turn would further advance the Federal Reserve's ongoing objective to improve the safety and efficiency of payment systems in the United States. The Board recognizes, however, that the proposal may increase certain risks and costs for Reserve Bank accountholders and their customers, including risks and costs related to compression of end-of-day processing activities, decreased availability of extensions to operating hours, and more-frequent delays to the reopening of the Fedwire Funds Service. As discussed further below, the Board requests comment on these potential risks and costs.

Finally, the Board does not expect that other providers alone could provide the enhanced services with reasonable effectiveness, scope, and equity. TCH relies on NSS to settle its in-network ACH transactions, including same-day ACH transactions, and so would be unable to offer a third same-day ACH window with settlement at 6:00 p.m. ET unless the Reserve Banks extend the closing time of NSS.

The Board's *Principles for the Pricing of Reserve Bank Services* further require that the Board seek public comment on changes to Reserve Bank services that would have significant longer-run effects on the nation's payment system.[11] The Board believes that extending the operating hours of NSS and the Fedwire Funds Service could have such an effect. Accordingly, the Board requests comment on all aspects of these potential changes, including the Board's analysis of the potential public benefits as well as the potential options to mitigate the risk of more-frequent delays to the reopening of the Fedwire Funds Service.

The Board requests public comment on the following questions:

1. How might institutions and their customers use a later same-day ACH window?

2. Would institutions and their customers use expanded hours of NSS and the Fedwire Funds Service for purposes unrelated to the later same-day ACH window? If so, how?

A. Risk Considerations

1. End-of-Day Compression

The Federal Reserve has long provided at least thirty minutes between the last NSS settlement and the closing of the Fedwire Funds Service.[12] Depository institutions and their customers use the time between the closing of NSS and the closing of the Fedwire Funds Service to reposition balances and manage liquidity.[13]

In order to accommodate a third same-day ACH settlement window, the Reserve Banks' current windows between service closings and cutoffs would, as outlined in tables 1 and 2, be reduced 50 percent. These reduced windows would limit the time available for depository institutions and their customers to reposition balances and manage liquidity after the processing and settlement of an NSS file or third-party-initiated Fedwire Funds transactions. As a result, the Board believes that depository institutions and their customers may need to make technical, operational, and/or procedural changes to adjust to the proposed end-of-day timeline. If depository institutions do not make such changes, the Board believes that Reserve Banks may experience increases in requests to extend the closing of the Fedwire Funds service, in requests for discount window loans, or in overnight overdrafts.

Additionally, any extension to the closing of NSS or the Fedwire Funds third-party cutoff would require an extension to the closing of the Fedwire Funds Service to maintain at least fifteen minutes between each deadline.[14] If the Reserve Banks do not pursue certain risk-mitigation options described below, any extension granted to NSS or the Fedwire Funds third-party cut-off would result in a delayed reopening of the Fedwire Funds Service on the next business day. Issues related to extensions and the delayed reopening of the Fedwire Funds Service are discussed further in the next section.

The Board requests public comment on the following questions:

3. What increased risks and costs might your institution and customers incur as a result of reduced time between the closing of NSS, the Fedwire Funds third-party cutoff, and the closing of the Fedwire Funds Service as outlined in Tables 1 and 2?

4. What changes to internal processes or technologies (if any) would your institution need to make to adjust to any of the reduced windows outlined in Tables 1 and 2? Approximately how long would it take for your institution to implement any necessary changes?

2. Delayed Reopening of the Fedwire Funds Service

The Fedwire Funds Service operating hours currently begin at 9:00 p.m. ET on the preceding calendar day and end at 6:30 p.m. ET, Monday through Friday. The Reserve Banks allow participants to request extensions to the Fedwire Funds third-party cutoff or the Fedwire Funds Service closing time if, among other things, the dollar value of delayed transfers would exceed $1 billion.[15] Such extensions occur approximately twice per month and range from 15 minutes to 1 hour and 45 minutes, with most lasting 30 minutes.[16] In most cases, extensions to the Fedwire Funds third-party cutoff or the Fedwire Funds Service closing time do not affect the reopening time of the Fedwire Funds Service for the next business day.

The Reserve Banks strive to maintain at least a 2-hour window between the closing and reopening of the Fedwire Funds Service to allow Fedwire participants sufficient time to complete their end-of-day cycles and processing.[17] As discussed above, to

[11] Board of Governors of the Federal Reserve System, ''Principles for the Pricing of Federal Reserve Bank Services,'' Issued 1980.

[12] *See* n.9, *supra.*

[13] For example, if a large debit from an NSS file creates an overdraft in a depository institution's account, that institution may reposition balances so that it does not have a negative account balance at the closing of the Fedwire Funds Service.

[14] Operating Circular 12, paragraph 5.8, provides discretion to a Reserve Bank to extend the NSS settlement window.

[15] *See* Operating Circular 6, paragraph 10.3, and *https://www.frbservices.org/resources/financial-services/wires/extension-guidelines.html.* Additionally, if the Fedwire Funds Service experiences an operational disruption, the Reserve Banks may extend the Fedwire Funds Service closing time regardless of the dollar value still to be sent.

[16] Over a 30-month period between January 2016 and July 2018, the Reserve Banks granted 38 extensions to the Fedwire Funds third-party cut-off and 32 extensions to the closing of the Fedwire Funds Service (20 of which were prompted by extensions to the Fedwire Funds third-party cut-off), ultimately resulting in three delays to the reopening of the Fedwire Funds Service.

[17] *See https://www.frbservices.org/resources/financial-services/wires/extension-guidelines.htm. See also* 68 FR 28826, 28827 (May 27, 2003) (''In general, the Federal Reserve Banks will work to maintain a two-hour interim period between the close and open of Fedwire each business day''). End-of-day cycles and processing typically involve the reconciliation and preparation of systems for the next cycle date as well as the production of customer statements.

facilitate a third same-day ACH window, the Reserve Banks would change the closing time of the Fedwire Funds Service from 6:30 p.m. ET to 7:00 p.m. ET, which would reduce the window between the closing and reopening of the Fedwire Funds Service from 2 hours and 30 minutes to 2 hours. Accordingly, if the Reserve Banks maintain their current practice of providing a 2-hour window between the closing and reopening of the Fedwire Funds Service, all extensions granted to the closing of the Fedwire Funds Service would result in a delayed reopening of the Fedwire Funds Service for the next business day.[18] Such delays would likely occur routinely as the Reserve Banks currently extend the Fedwire Funds third-party cutoff or the closing of the Fedwire Funds Service approximately twice per month. These delays could affect Fedwire Funds Service participants that wish to send payment orders at the start of the Fedwire Funds Service business day. On average, $35 billion is settled over the Fedwire Funds Service during the first hour of the Fedwire Funds Service business day (9:00 p.m. ET to 10:00 p.m. ET), with a majority of transactions supporting the international markets and a portion of the amount funding settlement in other U.S. payment systems.

Additionally, if the Reserve Banks change the closing of NSS to 6:30 p.m. ET and maintain their current practice of providing a two-hour window between the closing and reopening of the Fedwire Funds Service, any extension to the closing of NSS would result in a delayed reopening of the Fedwire Funds Service.[19] While extensions to the closing of NSS are uncommon, such extensions could be required when system outages or problems prevent the submission or processing of NSS files.[20] Similarly, if the Reserve Banks change the Fedwire Funds third-party cutoff to 6:45 p.m. ET as proposed, any extension to this cutoff would result in a delayed reopening of the Fedwire Funds Service.[21]

Today, delays to the reopening of the Fedwire Funds Service occur approximately once per year.[22] Based on recent data, if the Reserve Banks extend the closing of the Fedwire Funds Service to 7:00 p.m. ET, delays to the reopening of the service could occur approximately twice per month. The Federal Reserve continues to believe that it is important to minimize the frequency of Fedwire Funds Service extensions, especially those that result in delayed reopenings to the service. Accordingly, if the Reserve Banks implement the proposed changes to the closing and cutoff times for NSS and the Fedwire Funds Service, the Reserve Banks may need to be more restrictive in granting service extensions.

The Reserve Banks could make certain operational and policy changes to reduce the risk of frequent delays to the reopening of the Fedwire Funds Service. One option is to change the Reserve Banks' guidelines for providing extensions to the Fedwire Funds Service (which have been in effect since 1997) by increasing the current $1 billion value threshold. If the Reserve Banks were to raise the extension threshold to $5 billion, for example, it is estimated that, based on recent data, the Reserve Banks would grant approximately half the current number of extensions to the Fedwire Funds third-party cutoff or the closing of the Fedwire Funds Service. A $5 billion value threshold may also be more appropriate based on the average daily value of transactions settled over the Fedwire Funds Service.[23] Even with a $5 billion value threshold, however, every extension to the proposed closing of NSS, the Fedwire Funds third-party cutoff, or the closing of the Fedwire Funds Service would still result in the delayed reopening of the Fedwire Funds Service for the next business day. An analysis of recent data indicates that such extensions and delayed reopenings could occur approximately once a month.

A second option would be for Reserve Banks to change the practice of maintaining a 2-hour window between the closing of the Fedwire Funds Service (for one funds-transfer business day) and the reopening of the Fedwire Funds Service (for the next funds-transfer business day). For example, if the Reserve Banks were to maintain a 90-minute window rather than a 2-hour window, the Reserve Banks could extend the closing of the Fedwire Funds Service by 30 minutes without delaying the reopening of the Fedwire Funds Service. This change would reduce the frequency of delays to the reopening of the Fedwire Funds Service, although an analysis of recent data indicates that such delays would still occur more frequently than they do today, resulting in approximately five delays to the reopening of the Fedwire Funds Service per year.[24]

A third option would be for the Reserve Banks to implement a $5 billion threshold for extensions *and* reduce the two-hour window between closing and reopening of the Fedwire Funds Service to ninety minutes. This approach would result in approximately three delays to the reopening of the Fedwire Funds Service per year.

The Board requests comment on the following questions:

5. If your institution typically makes payments during the first hour of the Fedwire Funds Service business day, what would be the consequences of delaying the reopening of the Fedwire Funds Service? Are the consequences more significant for certain types of payments? Are there steps your institution, the Reserve Banks, or others

[18] For example, a 15-minute extension to the Fedwire Funds Services closing (from 7:00 p.m. ET to 7:15 p.m. ET) would result in a 15-minute delay to the reopening of the Fedwire business day (from 9:00 p.m. ET to 9:15 p.m. ET).

[19] For example, a 15-minute extension to the NSS closing (from 6:30 p.m. ET to 6:45 p.m. ET) would prompt a 15-minute extension to the Fedwire Funds Service closing (from 7:00 p.m. ET to 7:15 p.m. ET) to allow thirty minutes between the closing of NSS and the closing of the Fedwire Funds Service, which would in turn result in a 15-minute delay to the reopening of the Fedwire Funds Service (from 9:00 p.m. ET to 9:15 p.m. ET).

[20] For example, a settlement agent might experience an issue with one of its internal systems that prevents the settlement agent from submitting a settlement file to NSS. Similarly, the Reserve Banks might experience problems with the NSS application, or the electronic channels settlement agents use to submit settlement files to NSS, that prevent settlement agents from submitting files or prevent the Reserve Banks from processing settlement files submitted by settlement agents.

[21] For example, a 15-minute extension to the Fedwire Funds third-party cut-off (from 6:45 p.m. ET to 7:00 p.m. ET) would prompt a 15-minute extension to the Fedwire Funds Service closing (from 7:00 p.m. ET to 7:15 p.m. ET) to allow at least 15 minutes between the Fedwire Funds third-party cut-off and the closing of the Fedwire Funds Service, which would in turn delay the reopening of the Fedwire Funds Service by 15 minutes (from 9:00 p.m. ET to 9:15 p.m. ET).

[22] *See* n.16, *supra.*

[23] The average daily value of transactions settled over the Fedwire Funds Service more than doubled from 1997 to 2017, from approximately $1.1 trillion to approximately $2.9 trillion.

[24] Currently, the Reserve Banks can provide forty-five minute extensions to the Fedwire Funds third-party cut-off (from 6:00 p.m. ET to 6:45 p.m. ET) without delaying the reopening of the Fedwire Funds Service; in such circumstances, the Reserve Banks can provide thirty-minute extensions to the closing of Fedwire Funds Service (from 6:30 p.m. to 7:00 p.m. ET) and still maintain (a) a 15-minute window between the Fedwire Funds third-party cut-off and the closing of the Fedwire Funds Service and (b) a two-hour window between the closing and reopening of the Fedwire Funds Service. Under the proposed changes in operating hours, a forty-five minute extension to the Fedwire Funds third-party cut-off (from 6:45 p.m. ET to 7:30 p.m. ET) would require the Reserve Banks to extend the Fedwire Funds Service closing by forty-five minutes (from 7:00 p.m. ET to 7:45 p.m. ET) in order to provide a 15-minute window between the Fedwire Funds third-party cut-off and the closing of the Fedwire Funds Service; this would in turn require the Reserve Banks to delay the reopening of the Fedwire Funds Service by 15 minutes (from 9:00 p.m. ET to 9:15 p.m. ET) in order to maintain the proposed ninety-minute window between the closing of the Fedwire Funds Service and the reopening of the Fedwire Funds Service.

could take to reduce those consequences?

6. How might the proposed compressed end-of-day timeline increase the frequency with which institutions request that the Reserve Banks extend the operating hours of the Fedwire Funds Service?

7. Should the Reserve Banks update their criteria for extending the closing time of the Fedwire Funds Service to include a higher value threshold? If so, would a $5 billion threshold be appropriate? Would your institution need to make any operational changes to adjust to a $5 billion threshold?

8. Should the Reserve Banks update their criteria for extending the closing time of the Fedwire Funds Service to reduce the targeted two-hour window between the closing and reopening of the Fedwire Funds Service? Why or why not? Would a window of 90 minutes (or some other period) between the closing and reopening of the Fedwire Funds Service provide sufficient time to perform end-of-day processes at your institution? What operational or technical changes would your institution need to make (if any) to adjust to a reduced window?

9. Given the risks of more-frequent delays to the reopening of the Fedwire Funds Service, should the Federal Reserve simultaneously raise the value threshold for extensions to $5 billion and reduce the window between the closing and reopening of the Fedwire Funds service? Why or why not?

10. If your institution would need to implement changes to adjust to a $5 billion threshold or a reduced window between the closing and reopening of the Fedwire Funds Service, when would your institution be ready to implement those changes? If your institution is not ready to implement any required changes by March 2021, which is NACHA's current effective date for implementing the later same-day ACH window, should the Federal Reserve delay implementation of the proposed changes to NSS and the Fedwire Funds Service? Why or why not?

11. Are there any other potential benefits, consequences, risks, or costs that the Federal Reserve should consider when evaluating the adoption of the proposed changes to NSS and the Fedwire Funds Service, including potential risks to financial stability? If so, please provide a description.

B. Competitive Impact Analysis

When considering changes to an existing service, the Board conducts a competitive impact analysis to determine whether there will be a direct and material adverse effect on the ability of other service providers to compete effectively with the Federal Reserve in providing similar services due to differing legal powers or the Federal Reserve's dominant market position deriving from such legal differences.[25] The Board believes that there would be no adverse effects to other service providers resulting from adding a third same-day ACH settlement window and extending the daily operating hours of NSS and the Fedwire Funds Service. As described above, the changes to NSS and the Fedwire Funds Service would allow TCH, the private-sector ACH operator, to implement the third same-day ACH window. This would promote competitive fairness between the two ACH operators.

C. Related Changes to the Federal Reserve Policy on Payment System Risk

Part II of the Federal Reserve Policy on Payment System Risk (PSR policy) governs the provision of intraday credit by the Reserve Banks and establishes procedures—called ''posting rules''—for the settlement of debits and credits to institutions' Federal Reserve accounts for different payment types.[26] The application of these posting rules determines an institution's intraday account balance and whether the institution has incurred a negative balance (daylight overdraft). The Reserve Banks charge fees for certain daylight overdrafts.

The proposed same-day ACH processing window would require modifying the PSR policy to add a 6:00 p.m. ET posting time for settlement of commercial and government same-day ACH transactions. The Board would also remove the current 5:30 p.m. ET posting time for ACH return transactions, and these return transactions would post at the new 6:00 p.m. ET posting time for same-day ACH transactions.[27]

Additionally, extending the closing time of the Fedwire Funds Service would affect the fee that an institution pays for daylight overdrafts, because (under section II.C of the PSR policy) the Reserve Banks calculate daylight overdraft fees based on the length of the Fedwire operating day. Specifically, the daylight overdraft fee rate is calculated using an annual rate of 50 basis points (quoted on the basis of a 24-hour day and a 360-day year) that is prorated to the length of the Fedwire operating day (currently 21.5 hours). Accordingly, the effective annual overdraft rate is (21.5/24) multiplied by 50 basis points, or approximately 0.004479, and the effective daily rate is 0.0000124. If the operating hours of the Fedwire day increase by 30 minutes, the effective annual rate would be (22/24) multiplied by 50 basis points, or approximately 0.004583, and the effective daily rate would increase by about 2.4 percent to 0.0000127.

An institution's daily daylight overdraft charge equals the effective daily rate multiplied by the institution's average daily uncollateralized daylight overdraft, which is calculated by dividing the sum of its negative uncollateralized Federal Reserve account balances at the end of each minute by the total number of minutes in the Fedwire operating day. Because the Fedwire operating day would increase to 1,321 minutes from the current 1,291 minutes, average daily uncollateralized overdrafts would decrease about 2.3 percent, offsetting in part the increase to the effective daily rate.[28] After accounting for changes to both the fee rate and average uncollateralized daylight overdraft calculation, the Board estimates that gross fees before application of fee waivers would increase by less than one-tenth of 1 percent.[29]

The Board requests comment on all aspects of the proposed changes to the PSR policy.

IV. Federal Reserve Policy on Payment System Risk

Revisions to Section II.A of the PSR Policy

The Board proposes to revise Section II.A of the ''Federal Reserve Policy on Payment System Risk'' as follows:

A. Daylight Overdraft Definition and Measurement

* * * * *

Post by 1:00 p.m. eastern time:

+/− Commercial check transactions, including returned checks

+/− Government and commercial FedACH SameDay Service transactions, including return items [30]

[25] *See* The Federal Reserve in the Payments System (issued 1984; revised 1990), Federal Reserve Regulatory Service 9–1558.

[26] The PSR policy is available at *https://www.federalreserve.gov/paymentsystems/files/psr_policy.pdf.*

[27] Posting of paper returns of same-day forward items that currently post at 5:30 p.m. ET would also move to the new 6:00 p.m. ET posting time.

[28] Analysis assumes that the size and duration of institutions' daylight overdrafts remains unchanged between a 21.5-hour and 22-hour operating day.

[29] Institutions' gross daily daylight overdraft fees are summed across a two-week reserve maintenance period and then reduced by a fee waiver of $150, which is primarily intended to minimize the burden of the PSR policy on institutions that use small amounts of intraday credit.

[30] With the exception of paper returns and paper notifications of change (NOCs) of prior-dated items

+ Same-day Treasury investments.
Post at 5:00 p.m. eastern time:
+/− Government and commercial FedACH SameDay Service transactions, including return items [31]
+ Treasury checks, postal money orders, and savings bond redemptions in separately sorted deposits; these items must be deposited by the latest applicable deposit deadline preceding the posting time
+ Local Federal Reserve Bank checks; these items must be presented before 3:00 p.m. eastern time
Post at 5:30 p.m. eastern time:
+/− Commercial check transactions, including returned checks
Post at 6:00 p.m. eastern time:
+/− Government and commercial FedACH SameDay Service transactions, including return items [32]

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Revisions to Section II.C of the PSR Policy

The Board proposes to revise Section II.C of the ''Federal Reserve Policy on Payment System Risk'' as follows:

C. Pricing

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* * *

Daylight overdraft fees for uncollateralized overdrafts (or the uncollateralized portion of a partially collateralized overdraft) are calculated using an annual rate of 50 basis points, quoted on the basis of a 24-hour day and a 360-day year. To obtain the effective annual rate for the standard Fedwire operating day, the 50-basis-point annual rate is multiplied by the fraction of a 24-hour day during which Fedwire is scheduled to operate. For example, under a 22-hour scheduled Fedwire operating day, the effective annual rate used to calculate daylight overdraft fees equals 45.83 basis points (50 basis points multiplied by 22/24).[33] The effective daily rate is calculated by dividing the effective annual rate by 360.[34] An institution's daily daylight overdraft charge is equal to the effective daily rate multiplied by the institution's average daily uncollateralized daylight overdraft. * * *

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Revisions to Section II.F of the PSR Policy

The Board proposes to revise Section II.F of the ''Federal Reserve Policy on Payment System Risk'' as follows:

F. Special Situations

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Certain institutions are subject to a daylight-overdraft penalty fee levied against the average daily daylight overdraft incurred by the institution. These include Edge and agreement corporations, bankers' banks that are not subject to reserve requirements, and limited-purpose trust companies. The annual rate used to determine the daylight-overdraft penalty fee is equal to the annual rate applicable to the daylight overdrafts of other institutions (50 basis points) plus 100 basis points multiplied by the fraction of a 24-hour day during which Fedwire is scheduled to operate (currently 22/24). The daily daylight-overdraft penalty rate is calculated by dividing the annual penalty rate by 360.[35] The daylight-overdraft penalty rate applies to the institution's daily average daylight overdraft in its Federal Reserve account. The daylight-overdraft penalty rate is charged in lieu of, not in addition to, the rate used to calculate daylight overdraft fees for institutions described in this section. * * *

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By order of the Board of Governors of the Federal Reserve System, May 9, 2019.

Margaret McCloskey Shanks,

Deputy Secretary of the Board.

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that only post at 5:00 p.m.; paper returns of same-day forward items that only post at 6:00 p.m.; and FedLine Web returns and FedLine Web NOCs that only post at 8:30 a.m. and 5:00 p.m., depending on when the item is received by Reserve Banks.

[31] With the exception of paper returns of same-day forward items that only post at 6:00 p.m.

[32] With the exception of paper returns and paper notifications of change (NOCs) of prior-dated items that only post at 5:00 p.m.; and FedLine Web returns and FedLine Web NOCs that only post at 8:30 a.m. and 5:00 p.m., depending on when the item is received by Reserve Banks.

[33] A change in the length of the scheduled Fedwire operating day should not significantly change the amount of fees charged because the effective daily rate is applied to average daylight overdrafts, the calculation of which would also reflect the change in the operating day.

[34] Under the current 22-hour Fedwire operating day, the effective daily daylight-overdraft rate is truncated to 0.0000127.

[35] Under the current 22-hour Fedwire operating day, the effective daily daylight-overdraft penalty rate is truncated to 0.0000382.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Disease Control and Prevention

Board of Scientific Counselors, National Center for Injury Prevention and Control, (BSC, NCIPC)

AGENCY: Centers for Disease Control and Prevention (CDC), Department of Health and Human Services (HHS).

ACTION: Notice of meeting.

SUMMARY: In accordance with the Federal Advisory Committee Act, the CDC announces the following meeting for the Board of Scientific Counselors, National Center for Injury Prevention and Control, (BSC, NCIPC). There will be 15 minutes allotted for public comments at the end of the open session from 3:40 p.m.–3:55 p.m. on July 17, 2019.

DATES: The meeting will be held on July 16, 2019, 1:00 p.m. to 3:00 p.m., EDT (CLOSED) and July 17, 2019, 9:00 a.m. to 5:00 p.m., EDT (OPEN).

ADDRESSES: 4770 Buford Highway NE, Atlanta, GA 30341; Teleconference Number: 1–866–692–4541, Participant Code: 12365987.

FOR FURTHER INFORMATION CONTACT: Gwendolyn H. Cattledge, Ph.D., M.S.E.H., Deputy Associate Director for Science, NCIPC, CDC, 4770 Buford Highway NE, Mailstop F–63, Atlanta, GA 30341, Telephone (770) 488–3953, Email address: *NCIPCBSC@cdc.gov.*

SUPPLEMENTARY INFORMATION: Portions of the meeting as designated above will be closed to the public in accordance with provisions set forth in Section 552b(c)(4) and (6), Title 5 U.S.C., and the Determination of the Chief Operating Officer, CDC pursuant to Public Law 92–463.

Purpose: The Board will: (1) Conduct, encourage, cooperate with, and assist other appropriate public health authorities, scientific institutions, and scientists in the conduct of research, investigations, experiments, demonstrations, and studies relating to the causes, diagnosis, treatment, control, and prevention of physical and mental diseases, and other impairments; (2) assist States and their political subdivisions in preventing and suppressing communicable and non-communicable diseases and other preventable conditions and in promoting health and well-being; and (3) conduct and assist in research and control activities related to injury. The Board of Scientific Counselors makes recommendations regarding policies,