

For pesticide specific information, contact: The Chemical Review Manager for the pesticide of interest identified in Table 1 in Unit IV. of the original notice (88 FR 71856, October 18, 2023 (FRL–11376–01–OCSP)).

For general information on the registration review program, contact: Melanie Biscoe, Pesticide Re-Evaluation Division (7508P), Office of Pesticide Programs, Environmental Protection Agency, 1200 Pennsylvania Ave. NW, Washington, DC 20460–0001; telephone number: (202) 566–0701; email address: biscoe.melanie@epa.gov.

SUPPLEMENTARY INFORMATION: Pursuant to 40 CFR 155.58, EPA issued a notice in the **Federal Register** of October 18, 2023 (88 FR 71856) (FRL–11376–01–OCSP), to announce the availability of EPA’s interim registration review decisions for the following chemicals: Citric acid and salts, and linalool; and the closure of the registration review case for triadimenol. As described in that document, EPA previously sought public comment on the proposed interim registration review decisions as discussed in the pesticide specific interim decisions that were posted to the dockets. In addition, that notice announced the closure of the registration review case for triadimenol (Case Number 7008, Docket ID Number EPA–HQ–OPP–2016–0114) because the last U.S. registrations for this pesticide has been canceled.

Subsequent to the publication of that notice, EPA identified that it incorrectly included a **DATES** section that established a comment deadline of December 18, 2023. A comment period is not necessary or appropriate for that document because the decisions announced in that document are complete. As a result, EPA is issuing this document to reaffirm the nature of the decisions announced in that document and to closing the comment period it incorrectly established.

Background on the registration review program is provided at: <https://www.epa.gov/pesticide-reevaluation>.

Authority: 7 U.S.C. 136 *et seq.*

Dated: November 20, 2023.

Mary Elissa Reaves,

*Director, Pesticide Re-Evaluation Division,
Office of Pesticide Programs.*

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FEDERAL RESERVE SYSTEM

[Docket No. OP–1822]

Federal Reserve Bank Services

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notification of 2024 private sector adjustment factor and fee schedules.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) has approved the private-sector adjustment factor (PSAF) for 2024 of \$29.2 million and the 2024 fee schedules for Federal Reserve priced services and electronic access. These actions were taken in accordance with the Monetary Control Act of 1980, which requires that, over the long run, fees for Federal Reserve priced services be established based on all direct and indirect costs, including the PSAF.

DATES: The new fee schedules become effective January 2, 2024.

FOR FURTHER INFORMATION CONTACT: For questions regarding the fee schedules: Ian Spear, Assistant Director, (202) 452–3959; Larkin Turman, Senior Financial Institution Policy Analyst, (202) 657–9306; Division of Reserve Bank Operations and Payment Systems. For questions regarding the PSAF: Rebecca Royer, Associate Director, (202) 736–5662; Kelsey Cassidy, Financial Institution Policy Analyst, (202) 465–6817; Division of Reserve Bank Operations and Payment Systems. For users of TTY–TRS, please call 711 from any telephone, anywhere in the United States. Copies of the 2024 fee schedules for the check services are available from the Board, the Federal Reserve Banks, or the Federal Reserve Financial Services (FRFS) website at www.FRBservices.org.

SUPPLEMENTARY INFORMATION:

I. Private-Sector Adjustment Factor, Priced Services Cost Recovery, and Overview of 2024 Price Changes

A. Overview—Each year, as required by the Monetary Control Act (MCA) of 1980, the Reserve Banks set fees for priced services provided to financial institutions. These fees are set to recover, over the long run, all direct and indirect costs and imputed costs, including financing costs, taxes, and certain other expenses, as well as the return on equity (profit) that would have been earned if a private-sector business provided the services.¹ The imputed

¹ Although the Monetary Control Act does not define “over the long run,” the Board has generally measured long-run cost recovery for mature services to be over a 10-year rolling time frame. The Board currently views a 10-year cost recovery expectation

costs and imputed profit are collectively referred to as the private-sector adjustment factor (PSAF).

From 2013 through 2022, the Reserve Banks recovered 102.5 percent of their total expenses (including imputed costs) and targeted after-tax profits or return on equity (ROE) for the mature services. During that period, Check Services, the Fedwire® Funds Service, National Settlement Service (NSS), and Fedwire® Securities Service achieved full cost recovery. The FedACH® Service achieved 98.1 percent cost recovery as a result of the Reserve Banks’ development and implementation of a multiyear technology initiative to modernize the capabilities of the FedACH Service processing platform. Although the modernized platform was implemented in 2021, the Reserve Banks are continuing to invest in platform capabilities, as well as resiliency, as part of a broader enhancement strategy. At the same time, the Reserve Banks have made limited changes to existing FedACH Service fees to provide price stability for customers in alignment with pricing policies.²

The Board communicated in its 2019 Notice Federal Reserve Actions to Support Interbank Settlement of Instant Payments (“2019 Notice”) that it expects the FedNow® Service to achieve its first instance of long-run cost recovery outside the 10-year time frame typically applied to mature services. New services like the FedNow Service may not initially have stable volumes, costs, and revenues.³ Thus, FedNow

as appropriate for assessing mature services, which are those that have achieved a critical mass of customer participation and generally have stable and predictable volumes, costs, and revenues. The 10-year recovery rate is based on the pro forma income statements for Federal Reserve priced services published in the Board’s *Annual Report*. In accordance with Accounting Standards Codification (ASC) 715 *Compensation—Retirement Benefits*, the Reserve Banks recognized a \$590.0 million cumulative reduction in equity related to the priced services’ benefit plans through 2022. Including this cumulative reduction in equity from 2013 to 2022 results in cost recovery of 103.8 percent for the 10-year period. This measure of long-run cost recovery is also published in the Board’s *Annual Report*.

² In alignment with the Board’s *Principles for the Pricing of Federal Reserve Bank Services*, the Reserve Banks will continue to assess the tradeoffs between price stability for customers, investment in technology infrastructure to reflect desirable longer-run improvements in the ACH system, and the expectation of achieving full cost recovery for the FedACH Service over the long run. See Board of Governors of the Federal Reserve System, “Adoption of Fee Schedules and Pricing Principles for Federal Reserve Bank Services,” 46 FR 1338, 1343 (Jan. 6, 1981). Available at <https://cdn.loc.gov/service/ll/fedreg/fr046/fr046003/fr046003.pdf>.

³ Application of the 10-year rolling time frame used to evaluate mature services to the FedNow Service would result in prohibitively high or unnecessarily volatile pricing, negatively affecting the Federal Reserve’s public policy objectives in

Service revenue and expenses are excluded from the overall performance projections. The FedNow Service is discussed in section G.

Table 1 summarizes 2022 actual, 2023 forecasted, and 2024 budgeted annual cost recovery rates for all mature priced services. Cost recovery is forecasted to

be 104.4 percent in 2023 and forecasted to be 103.0 percent in 2024.

TABLE 1—AGGREGATE MATURE PRICED SERVICES PRO FORMA COST AND REVENUE PERFORMANCE ^a
[Dollars in millions]

Year	Revenue	Total expense	Net income (ROE)	Targeted ROE	Recovery rate after targeted ROE (%)
	1 ^b	2 ^c	3 [1 – 2]	4 ^d	5 ^e [1/(2 + 4)]
2022 (actual)	466.8	462.9	3.9	7.2	99.3
2023 (forecast)	504.9	475.5	29.4	8.3	104.4
2024 (budget)	501.4	477.0	24.4	9.7	103.0

^a Calculations in this table and subsequent pro forma cost and revenue tables may be affected by rounding. Excludes amounts related to the FedNow Service.

^b Revenue includes imputed income on investments when equity is imputed at a level that meets minimum capital requirements and, when combined with liabilities, exceeds total assets (attachment 1). For 2024, the projected revenue assumes implementation of the fee changes.

^c The calculation of total expense includes operating, imputed, and other expenses. Imputed and other expenses include taxes, Board of Governors' priced services expenses, the cost of float, and interest on imputed debt, if any. Credits or debits related to the accounting for pension plans under ASC 715 are also included.

^d Targeted ROE is the after-tax ROE included in the PSAF.

^e The recovery rates in this and subsequent tables do not reflect the unamortized gains or losses that must be recognized in accordance with ASC 715. Future gains or losses, and their effect on cost recovery, cannot be projected.

Table 2 provides an overview of cost recovery budgets, forecasts, and

performance for the 10-year period from 2013 to 2022, 2022 actual, 2023 budget,

2023 forecast, and 2024 budget by mature priced service.

TABLE 2—MATURE PRICED SERVICES COST RECOVERY
[Percent]

Priced service	2013–2022	2022 Actual	2023 Budget ^a	2023 Forecast	2024 Budget ^b
All mature services	102.5	99.3	98.2	104.4	103.0
Check	108.4	99.8	96.7	101.2	95.4
FedACH	98.1	101.7	99.0	105.9	105.8
Fedwire Funds and NSS	101.5	95.3	96.2	101.3	103.2
Fedwire Securities	103.1	107.6	106.5	118.9	110.9

^a The 2023 budget figures reflect the final budgets as approved by the Board of Governors in December 2022. See Board of Governors of the Federal Reserve System, "2023 Federal Reserve Banks Budgets" available at <https://www.federalreserve.gov/foia/files/2023ReserveBankBudgets.pdf>.

^b The 2024 budget figures reflect preliminary budget information from the Reserve Banks. The Reserve Banks will submit final budget data to the Board for consideration by December 2023.

1. *2023 Forecasted Performance*—The Reserve Banks forecast that they will recover 104.4 percent of the costs of providing mature priced services in 2023, including total expense and targeted ROE, compared with a 2023 budgeted recovery rate of 98.2 percent, as shown in Table 2. Overall, the Reserve Banks forecast that they will fully recover actual and imputed costs and earn net income of \$29.4 million, compared with the targeted ROE of \$8.3 million. The Reserve Banks forecast that all services will achieve full cost recovery in 2023.

2. *2024 Private-Sector Adjustment Factor*—The 2024 PSAF for Reserve Bank mature priced services is \$29.2 million.⁴ This amount represents an increase of \$5.5 million from the 2023 PSAF of \$23.7 million. This increase is attributable to a \$6.1 million increase in the cost of capital primarily driven by rising interest rates, and a \$0.8 million increase in Board of Governors expenses, offset by a \$1.4 million decrease in sales tax.

3. *2024 Projected Performance*—The Reserve Banks project a mature priced services cost recovery rate of 103.0 percent in 2024, with a net gain of \$24.4

million and targeted ROE of \$9.7 million. The Reserve Banks project that each of the individual service lines will achieve full cost recovery in 2024 except for Check Services. Check Services are expected to under recover primarily because of anticipated volume declines. The Reserve Banks' primary risks to current projections are unanticipated volume and revenue reductions and the potential for cost overruns from new and ongoing improvement initiatives.

4. *2024 Pricing*—The following summarizes the Reserve Banks' changes

providing the service. See "Federal Reserve Actions to Support Interbank Settlement of Instant Payments," 84 FR 39297, (August 9, 2019). Available at <https://www.govinfo.gov/content/pkg/FR-2019-08-09/pdf/2019-17027.pdf>.

⁴ The FedNow Service launched in July 2023. Inclusive of the FedNow Service, the PSAF

increases to \$46.3 million for 2024. Per its 2019 Notice "Federal Reserve Actions to Support Interbank Settlement of Faster Payments" ("2019 Notice"), the Board has determined that it is most appropriate to report FedNow Service cost recovery independently of mature priced services until the service has relatively stable revenues and costs.

Thus, FedNow Service revenue is excluded from overall performance projections for 2023. See "Federal Reserve Actions to Support Interbank Settlement of Faster Payments," 4 FR 39297, (August 9, 2019). Available here: **Federal Register: Federal Reserve Actions To Support Interbank Settlement of Faster Payments.**

to fee schedules for priced services in 2024:

Check Services

The Reserve Banks will increase participation fees and Reject Repair fees and reduce fixed fees across image cash letter options. The Reserve Banks will additionally replace their existing 5:00 a.m. eastern time (ET) and 9:30 a.m. ET forward check deposit deadlines with a single consolidated deadline at 7:30 a.m. ET. The Reserve Banks will reassign their customers across new volume tiers based on recent actual levels, a process they perform every year. These changes will help address declining check volumes and continue a value-based pricing strategy for financial institutions.

FedACH Service

The Reserve Banks will increase the FedACH settlement fee for some customers and introduce a new FedACH receipt 5-year discount program for customers with Premium Receiver status. These changes will help address ongoing operational costs while also providing incentives for customers who handle high volumes of FedACH receipts.

Fedwire Funds Service

The Reserve Banks will increase the Fedwire Funds transfer price for all three tiers, the participation fee, and the FedPayments® Manager Import/Export fee. These changes will help address costs stemming from ongoing customer enhancement projects and will increase overall fixed fee revenue.

National Settlement Service

The Reserve Banks will increase the National Settlement Service pre-file and pre-entry fees. These changes will help address rising operational costs.

Fedwire Securities Service

The Reserve Banks will maintain prices at existing levels for all priced Fedwire Securities Service products.

FedNow Service

The Reserve Banks will maintain the previous year's fee schedule, inclusive of discounts to the monthly participation fee as well as for customer credit transfers under a threshold of 2,500 per month.⁵ These discounts will support financial institution testing and validation of 24x7 instant payments processing capabilities. Additionally, to support initial onboarding, the Reserve Banks will continue to discount certain

FedLine® Solutions fees. New FedLine Advantage® channel connections or upgrades from existing FedLine Solutions to FedLine Advantage will be discounted to \$0.00 for a rolling 12-month period following initiation.

FedLine Solutions

The Reserve Banks will increase the monthly fees for FedMail®, the FedMail Email à la carte option, and all electronic access service offered by Accounting Information Services. The Reserve Banks will also introduce a new FedLine Web® pricing tier called FedLine Web Premier to reflect the value-add service of check payment automation. These changes will help address the rising operating costs for attended access and extended support for the FedNow Service.

For the mature services, these changes collectively are an average price increase of 1.8 percent. The price changes are in line with the Reserve Banks' strategy to offset rising costs, diversify revenue sources, and continue to reduce pricing volatility associated with volume-based pricing. For the FedNow Service, the Reserve Banks continue to focus on adoption and achieving network effects as a new service.

B. Private-Sector Adjustment Factor—The imputed debt financing costs, targeted ROE, and effective tax rate are based on a U.S. publicly traded market model.⁶ The method for calculating the financing costs in the PSAF requires determining the appropriate imputed levels of debt and equity and then applying the applicable financing rates. In this process, a pro forma balance sheet using estimated assets and liabilities associated with the Reserve Banks' priced services is developed, and the remaining elements that would exist are imputed as if these priced services were provided by a private business firm. The same generally accepted accounting principles that apply to commercial-entity financial statements apply to the relevant elements in the priced services pro forma financial statements.

The portion of Federal Reserve assets that will be used to provide priced services during the coming year is determined using information about actual assets and projected disposals and acquisitions. The priced portion of these assets is determined based on the allocation of depreciation and amortization expenses of each asset

class. The priced portion of actual Federal Reserve liabilities consists of post-employment and post-retirement benefits, accounts payable, and other liabilities. The priced portion of the actual net pension asset or liability is also included on the balance sheet.⁷

The equity financing rate is the targeted ROE produced by the capital asset pricing model (CAPM). In the CAPM, the required rate of return on a firm's equity is equal to the return on a risk-free asset plus a market risk premium. The risk-free rate is based on the three-month Treasury bill; the beta is assumed to be equal to 1.0, which approximates the risk of the market as a whole; and the market risk premium is based on the monthly returns in excess of the risk-free rate over the most recent 40 years. The resulting ROE reflects the return a shareholder would expect when investing in a private business firm.

For simplicity, given that federal corporate income tax rates are graduated, state income tax rates vary, and various credits and deductions can apply, an actual income tax expense is not explicitly calculated for Reserve Bank priced services. Instead, the Board targets a pretax ROE that would provide sufficient income to fulfill the priced services' imputed income tax obligations. To the extent that performance results are greater or less than the targeted ROE, income taxes are adjusted using the effective tax rate.

Capital structure. The capital structure is imputed based on the imputed funding need (assets less liabilities), subject to minimum equity constraints. Short-term debt is imputed to fund the imputed short-term funding need. Long-term debt and equity are imputed to meet the priced services long-term funding need at a ratio based on the capital structure of the U.S. publicly traded market.⁸ Any equity imputed that exceeds the amount needed to fund the priced services' assets and meet the minimum equity constraints is offset by a reduction in imputed long-term debt. When imputed

⁷ The pension assets are netted with the pension liabilities and reported as a net asset or net liability as required by ASC 715 *Compensation—Retirement Benefits*.

⁸ The FDIC rule, which was adopted as final on April 14, 2014, requires that well-capitalized institutions meet or exceed the following standards: (1) total capital to risk-weighted assets ratio of at least 10 percent, (2) tier 1 capital to risk-weighted assets ratio of at least 8 percent, (3) common equity tier 1 capital to risk-weighted assets ratio of at least 6.5 percent, and (4) a leverage ratio (tier 1 capital to total assets) of at least 5 percent. Because all of the Federal Reserve priced services' equity on the pro forma balance sheet qualifies as tier 1 capital, only requirements 1 and 4 are binding. The FDIC rule can be located at 12 CFR 324.403(b).

⁵ See **Federal Register** Notice for Federal Reserve Bank Services (December 12, 2022). Available here: **Federal Register**: Federal Reserve Bank Services

⁶ Data for U.S. publicly traded firms is from the Standard and Poor's Compustat® database. This database contains information on more than 6,000 U.S. publicly traded firms, which approximates information for the entirety of the U.S. market.

equity is larger than what can be offset by imputed debt, the excess is imputed as investments in Treasury securities; income imputed on these investments reduces the PSAF.

Application of the Federal Reserve Policy on Payment System Risk (PSR policy) to the Fedwire Funds Service. The Board's PSR policy incorporates the international standards for financial market infrastructures (FMIs) developed by the Committee on Payments and Market Infrastructures and the Technical Committee of the International Organization of Securities Commissions in the *Principles for Financial Market Infrastructures*.⁹ The Board recognizes the critical role the Fedwire Services, including the Fedwire Funds Service, play in the financial system and requires them to meet or exceed the risk-management standards in the policy, consistent with relevant guidance and the requirements in the MCA.¹⁰ Principle 15 states that an FMI should identify, monitor, and manage general business risk and hold sufficient liquid net assets funded by equity to cover potential general business losses so that it can continue operations and services as a going concern if those losses materialize. Further, liquid net assets should at all times be sufficient to ensure a recovery or orderly wind-down of critical operations and services. The Fedwire Funds Service does not face the risk that a business shock would cause the service to wind down in a disorderly manner and disrupt the stability of the financial system. To foster competition with private-sector FMIs, however, the Reserve Banks' priced services will hold an amount equivalent to six months of the Fedwire Funds Service's current operating expenses as liquid financial assets and

equity on the pro forma balance sheet.¹¹ Current operating expenses are defined as normal business operating expenses on the income statement, less depreciation, amortization, taxes, and interest on debt. Using the Fedwire Funds Service's preliminary 2024 budget, six months of current operating expenses would be \$68.5 million. In 2024, \$68.5 million of equity was imputed to meet the FDIC capital requirements and was sufficient to meet the PSR policy requirement.

Effective tax rate. Like the imputed capital structure, the effective tax rate is calculated based on data from U.S. publicly traded firms. The tax rate is the mean of the weighted average rates of the U.S. publicly traded market over the past five years.

Debt and equity financing. The imputed short- and long-term debt financing rates are derived from the nonfinancial commercial paper rates from the Federal Reserve Board's H.15 Selected Interest Rates release (AA and A2/P2) and the annual Merrill Lynch Corporate & High Yield Index rate, respectively. The equity financing rate is described above. The rates for debt and equity financing are applied to the priced services estimated imputed short-term debt, long-term debt, and equity needed to finance short- and long-term assets and meet equity requirements.

The 2024 PSAF is \$29.2 million, compared with \$23.7 million in 2023. The increase of \$5.5 million is attributable to a net \$6.1 million increase in the cost of capital, and a \$0.8 million increase in Board of Governors expenses, offset by a \$1.4 million decrease in sales tax. The net \$6.1 million increase in cost of capital is primarily driven by a \$1.6 million increase in ROE imputed to satisfy FDIC requirements for a well-capitalized institution and rising interest rates resulting in a \$4.5 million increase in cost of debt.

The PSAF expense of \$29.2 million, detailed in Table 5, includes \$17.7 million for capital funding, \$7.6 million

for Board of Governors' expense, and \$3.9 million in sales tax expense.

As shown in Table 3, 2024 total assets of \$816.1 million increased by \$10.5 million from 2023. The net increase in total assets includes an additional \$62.6 million long-term assets partially offset by a net \$52.1 million decrease in short-term assets and imputed investments.

The net long-term asset increase of \$62.6 million primarily consists of a \$94.4 million increase in the net pension asset, reflecting higher surplus and higher discount rate. The increase is partially offset by a decrease in the deferred tax asset of \$28.1 million due to the higher discount rate.

The decrease in the short-term assets is primarily driven by a \$67.2 million decrease in the imputed investments in Treasury securities from imputed equity required to meet FDIC capital requirements for a well-capitalized institution and to comply with the PSR policy, partially offset by a \$37.0 million increase in imputed investments in Fed Funds.

The capital structure of the 2024 pro forma balance sheet, provided in Table 4, is composed of equity of \$68.5 million, or 12.3 percent of the 2024 risk-weighted assets detailed in Table 6, and long-term debt of \$100.3 million. The 2024 capital structure differs from that of 2023, which was composed of \$69.5 million of equity and no long-term debt. Provided in Table 5, the 2024 initially imputed equity required to fund assets and meet the publicly traded firm model capital requirements is \$68.5 million. As long-term assets are marginally greater than long-term liabilities, long-term debt of \$100.36 million was imputed at the observed market ratio of 59.4 percent. The equity of \$68.5 million was adequate to meet the FDIC capital requirements for a well-capitalized institution and sufficient to satisfy the PSR policy requirements.

The net Accumulated Other Comprehensive loss is \$551.0 million, compared with \$640.8 million in 2023. The \$89.8 million increase is primarily attributable to a higher discount rate. The net Accumulated Other Comprehensive loss position does not reduce the total imputed equity required to fund priced services assets or fulfill the FDIC equity requirements for a well-capitalized institution.

⁹Principles for Financial Market Infrastructures, <https://www.bis.org/cpmi/publ/d101a.pdf>.

¹⁰Certain standards may require flexibility in the way they are applied to central bank-operated systems because of central banks' unique role in the financial markets and their public responsibilities. These principles include principle 2 on governance, principle 3 on the framework for the comprehensive management of risks, principle 4 on credit risk, principle 5 on collateral, principle 7 on liquidity risk, principle 13 on participant-default rules and procedures, principle 15 on general business risk, and principle 18 on access and participation requirements. See PSR Policy Part I.B.1.a.

¹¹This requirement does not apply to the Fedwire Securities Service. There are no private-sector competitors to the Fedwire Securities Service that would be expected to meet such a requirement. Imposing such a requirement when pricing the securities services could artificially increase the cost of these services.

TABLE 3—COMPARISON OF PRO FORMA BALANCE SHEETS FOR BUDGETED FEDERAL RESERVE MATURE PRICED SERVICES^a

[Millions of dollars—projected average for year]

	2024	2023	Change
Short-term assets:			
Receivables	\$41.8	\$41.9	\$(0.1)
Inventory	0.2	0.2	0.1
Prepaid expenses	24.0	30.9	(6.8)
Items in process of collection ¹²	61.0	76.0	(15.0)
Total short-term assets	127.0	148.9	(21.9)
Imputed investments: ¹³			
Imputed investment in Treasury securities		67.2	(67.2)
Imputed investment in Fed Funds	219.0	182.0	37.0
Total imputed investments	219.0	249.2	(30.2)
Long-term assets:			
Premises ¹⁴	95.9	97.3	(1.4)
Furniture and equipment	53.9	54.2	(0.2)
Software and leasehold improvements	67.0	69.9	(2.9)
Net pension asset	120.4	25.9	94.4
Deferred tax asset	129.4	157.4	(28.1)
Total long-term assets	470.1	407.5	62.6
Total assets	816.1	805.6	10.5
Short-term liabilities:			
Deferred credit items	280.0	258.0	22.0
Short-term debt	32.7	47.0	(14.3)
Short-term payables	33.4	25.9	7.4
Total short-term liabilities	346.0	330.9	15.1
Long-term liabilities:			
Postemployment/postretirement benefits and net pension liabilities ¹⁵	300.0	403.9	(103.9)
Long term debt	100.3		100.3
Total liabilities	747.6	736.1	11.5
Equity ¹⁶	(551.0)	(640.8)	89.8
Total liabilities and equity	816.1	805.6	10.5

^a Calculations in this table and subsequent PSAF tables may be affected by rounding. Excludes amounts related to the FedNow Service.TABLE 4—IMPUTED FUNDING FOR MATURE PRICED-SERVICES ASSETS^a

[Millions of dollars]

	2024	2023
A. Short-term asset financing:		
Short-term assets to be financed:		
Receivables	\$41.8	\$41.9
Inventory	0.2	0.2
Prepaid expenses	24.0	30.9
Total short-term assets to be financed	66.0	140.1
Short-term payables	33.4	25.9
Net short-term assets to be financed	32.7	47.0
Imputed short-term debt financing ¹⁷	32.7	47.0
B. Long-term asset financing:		
Long-term assets to be financed:		
Premises	95.9	97.3
Furniture and equipment	53.9	54.2
Software and leasehold improvements	67.0	69.9
Net pension asset	120.4	25.9
Deferred tax asset	129.4	157.4
Total long-term assets to be financed	470.1	407.5
Postemployment/postretirement benefits and net pension liabilities	300.0	403.9
Net long-term assets to be financed	68.5	69.5
Imputed long-term debt ²¹	100.3	0.0
Imputed equity ²¹	68.5	69.5

TABLE 4—IMPUTED FUNDING FOR MATURE PRICED-SERVICES ASSETS ^a—Continued
[Millions of dollars]

	2024	2023
Total long-term financing	68.5	69.5

^a Excludes amounts related to the FedNow Service.

TABLE 5—DERIVATION OF THE 2024 AND 2023 PSAF FOR MATURE PRICED SERVICES ^a
[Dollars in millions]

	2024		2023	
	Debt	Equity	Debt	Equity
A. Imputed long-term debt and equity:				
Net long-term assets to finance	\$168.9	\$168.9	\$2.3	\$2.3
Capital structure observed in market	59.4%	40.6%	59.1%	40.9%
Pre-adjusted long-term debt and equity	100.3	68.5	1.4	1.0
Equity adjustments: ¹⁸				
Equity to meet capital requirements		68.5		49.9
Adjustment to debt and equity funding given capital requirements ¹⁹			(1.4)	1.4
Adjusted equity balance		68.5		2.3
Equity to meet capital requirements ²⁰				47.5
Total imputed long-term debt and equity		68.5		49.9
B. Cost of capital:				
Elements of capital costs:				
Short-term debt ²¹	32.7 × 5.4%	= 1.8	47.0 × 2.6%	= 1.2
Long-term debt ²⁵	100.3 × 4.0%	= 4.0	× 3.6%	=
Equity ²²	68.5 × 17.4%	= 11.9	49.9 × 14.9%	= 7.4
C. Incremental cost of PSR policy:				
Equity to meet policy	× 17.4%	=	19.7 × 14.9%	= 2.9
D. Other required PSAF costs:				
Sales taxes		3.9		5.3
Board of Governors expenses		7.6		6.8
		11.5		12.1
E. Total PSAF:		29.2		23.7
As a percent of assets		3.6%		2.9%
As a percent of expenses		3.6%		3.9%
F. Tax rates		18.84%		19.26%

^a Excludes amounts related to the FedNow Service.

TABLE 6—COMPUTATION OF 2024 CAPITAL ADEQUACY FOR FEDERAL RESERVE MATURE PRICED SERVICES ^a
[Dollars in millions]

	Assets	Risk weight	Weighted assets
Imputed investments:			
1-Year Treasury securities ²³	\$	0.0	\$
Federal funds ²⁴	219.0	0.2	43.8
Total imputed investments	219.0		43.8
Receivables	41.8	0.2	8.4
Inventory	0.2	1.0	0.2
Prepaid expenses	24.0	1.0	24.0
Items in process of collection	61.0	0.2	12.2
Premises	99.4	1.0	99.4
Furniture and equipment	53.9	1.0	53.9
Software and leasehold improvements	67.0	1.0	67.0
Pension asset	120.4	1.0	120.4
Deferred tax asset	129.4	1.0	129.4
Total	816.1		558.7
Imputed equity:			
Capital to risk-weighted assets	12.3%		

TABLE 6—COMPUTATION OF 2024 CAPITAL ADEQUACY FOR FEDERAL RESERVE MATURE PRICED SERVICES ^a—Continued
[Dollars in millions]

	Assets	Risk weight	Weighted assets
Capital to total assets	8.4%		

^a Excludes amounts related to the FedNow Service.

C. *Check Services*—Table 7 shows the budgeted cost-recovery performance for 2022 actual, 2023 forecasted, and 2024 commercial check services.

TABLE 7—CHECK SERVICES PRO FORMA COST AND REVENUE PERFORMANCE
[Dollars in millions]

Year	Revenue	Total expense	Net income (roe)	Targeted roe	Recovery rate after targeted roe
	1	2	3 [1 – 2]	4	5 [1/(2 + 4)]
2022 (actual)	110.5	109.7	0.8	1.0	99.8
2023 (forecast)	110.7	108.1	2.6	1.3	101.2
2024 (budget)	106.1	109.1	(3.0)	2.2	95.4

1. *2023 Forecast*—The Reserve Banks forecast that Check Services will recover 101.2 percent of total expenses and targeted ROE, compared with a 2023 budgeted recovery rate of 96.7 percent.

¹² Credit float, which represents the difference between items in process of collection and deferred credit items, occurs when the Reserve Banks debit the paying bank for transactions before providing credit to the depositing bank. Float is directly estimated at the service level.

¹³ Consistent with the Board’s PSR policy, the Reserve Banks’ priced services will hold an amount equivalent to six months of the Fedwire Funds Service’s current operating expenses as liquid net financial assets and equity on the pro forma balance sheet. Six months of the Fedwire Funds Service’s projected current operating expenses is \$68.5 million. In 2024, the amount of equity was sufficient to meet the regulatory capital requirements and no additional equity was imputed.

¹⁴ Includes the allocation of Board of Governors assets to priced services of \$3.5 million for 2024 and \$2.7 million for 2023.

¹⁵ Includes the allocation of Board of Governors liabilities to priced services of \$1.2 million for 2024 and \$1.3 million for 2023.

¹⁶ Includes an accumulated other comprehensive loss of \$551.0 million for 2024 and \$640.8 million for 2023, which reflects the ongoing amortization of the accumulated loss in accordance with ASC 715. Future gains or losses, and their effects on the pro forma balance sheet, cannot be projected. See Table 5 for calculation of required imputed equity amount.

¹⁷ Imputed short-term debt financing is computed as the difference between short-term assets and short-term liabilities. As presented in table 5, the financing costs of imputed short-term debt, imputed long-term debt and imputed equity are the elements of cost of capital, which contribute to the calculation of the PSAF.

¹⁸ If minimum equity constraints are not met after imputing equity based on the capital structure observed in the market, additional equity is imputed to meet these constraints. The long-term

Through August 2023, total commercial forward and total commercial return check volumes were 6.7 percent lower and 3.9 percent greater, respectively, than they were during the same period last year. For full-year 2023, the Reserve Banks estimate that their total forward check volume will decline 7.2 percent

funding need was met by imputing long-term debt and equity based on the capital structure observed in the market (see Tables 4 and 6). In 2023, the amount of imputed equity met the minimum equity requirements for risk-weighted assets.

¹⁹ Equity adjustment offsets are due to a shift of long-term debt funding to equity in order to meet FDIC capital requirements for well-capitalized institutions.

²⁰ Additional equity in excess of that needed to fund priced services assets is offset by an asset balance of imputed investments in Treasury securities.

²¹ Imputed short-term debt and long-term debt are computed in Table 4.

²² The 2024 ROE is equal to a risk-free rate plus a risk premium (beta * market risk premium). The 2023 after-tax CAPM ROE is calculated as 5.50% + (1.0 * 8.60%) = 14.11%. Using a tax rate of 18.8%, the after-tax ROE is converted into a pretax ROE, which results in a pretax ROE of (14.11%/(1–18.8%)) = 17.38%. Calculations may be affected by rounding.

²³ If minimum equity constraints are not met after imputing equity based on all other financial statement components, additional equity is imputed to meet these constraints. Additional equity imputed to meet minimum equity requirements is invested solely in Treasury securities. The imputed investments are similar to those for which rates are available on the Federal Reserve’s H.15 statistical release, which can be located at <http://www.federalreserve.gov/releases/h15/data.htm>.

²⁴ The investments are imputed based on the amounts arising from the collection of items before providing credit according to established availability schedules.

(compared with a budgeted decline of 8.0 percent) and their total return check volume will increase 1.4 percent (compared with a budgeted decline of 6.0 percent) from 2022 levels. The Reserve Banks expect that check volumes will continue to decline because of ongoing substitution away from checks to other payment instruments.

2. *2024 Pricing*—The Reserve Banks expect Check Services to recover 95.4 percent of total expenses and targeted ROE in 2024. The Reserve Banks project revenue to be \$106.1 million, a decline of \$4.6 million, or 4.1 percent from the 2023 forecast. Total expenses for Check Services are projected to be \$109.1 million, an increase of \$1.0 million, or 1.0 percent, from 2023 forecasted expenses.

As check volumes continue to decline, the proposed pricing increases are intended to help stabilize check revenues, to shift the revenue mix toward fixed fees, and to continue a value-based pricing strategy for financial institutions that use the service. To that end, the Reserve Banks will increase the pricing tiers for the fixed monthly participation and Reject Repair fees. These fee changes support the cost of maintaining FRFS Check Services infrastructure as fewer checks are written each year and follow the Check Services business line’s pricing strategy to increase the share of revenue collected from fixed fees. Table 8 displayed below shows the 2024-tiered participation fees.

TABLE 8—CHECK 21 PARTICIPATION FEE STRUCTURE

Tier ²⁵	Monthly fee
1	\$425
2	260
3	165
4	80

The Reserve Banks will also increase Reject Repair fees for both basic and premium users by \$0.05. The Reserve Banks will also eliminate forward check deposit deadlines—5:00 a.m. ET and 9:30 a.m. ET—and implement a new deadline at 7:30 a.m. ET to further simplify the FRFS Check Deposit structure. Removing the 9:30 a.m. ET deposit deadline and instituting a 7:30 a.m. ET deadline will eliminate debit

float and provide customers two-and-a-half additional hours to deposit.²⁶

The Standard Daily Fee B Image Cash Letter (ICL) Option will consequently be eliminated as the deposit option only provides deposit deadlines at the 5:30 a.m. ET and 7:30 a.m. ET deadlines the Reserve Banks intend to terminate. The tables below outline the eliminated and new deposit deadlines:

Deadline	Eliminated pricing structure		New pricing structure
	5:00 AM ET	9:30 AM ET	7:30 AM ET

Standard ICL Deposit Price Changes

	Eliminated pricing structure	Eliminated pricing structure	New pricing structure
Cash Letter Fee	\$8.50	\$10.50	\$10.50
Tier 1	0.057	0.072	0.057
Tier 2	0.067	0.082	0.067
Tier 3	0.077	0.092	0.077
Tier 4	0.087	0.102	0.087
Substitute Checks	0.200	0.200	0.200

Deadline	Eliminated pricing structure		New pricing structure	
	1:00 AM ET	9:30 AM ET	1:00 AM ET	7:30 AM ET

Standard Daily Fee A Deposit Option

	225.00		225.00	
Daily Fixed Fee				
Tier 1	\$0.003	\$0.018	\$0.003	\$0.010
Tier 2	0.014	0.029	0.014	0.021
Tier 3	0.024	0.039	0.024	0.031
Tier 4	0.035	0.050	0.035	0.042
Substitute Checks	0.200	0.200	0.200	0.200

Eliminate Standard Daily Fee B Deposit Option

In order to maintain volume stability, fixed fees across image cash letter options and volume thresholds for some customers will decrease in 2024. To that end, Daily Fixed Fees for FedForward[®] Services Premium Daily B image cash letters will be reduced by \$100, from \$1,700 to \$1,600, and for FedForward Premium Daily C image cash letters by \$250, from \$3,400 to \$3,150. Volume thresholds for Retail Payments Premium Receivers will be reduced from 2 million to 1 million items for Level 2 receivers and from 2 million to 1.5 million items for Level 3 receivers.

Finally, the Reserve Banks evaluate and set tier assignments every other year based on changes in the volume of items received by endpoints. These tier changes are designed to keep customers

assigned to the appropriate tier based on their volume, daily fixed fee reductions, and volume threshold reductions that will allow customers to qualify for discounts more often as the circulation of checks decline. In 2024, the Reserve Banks will reassign the tier placement of 672 customers in FedForward Standard's tiers, 389 customers in FedForward Premium Daily's tiers, 36 customers in the FedReturn[®] Standard's tiers, and 36 customers in FedReturn Premium Daily's tiers. Following these reassignments, the Reserve Banks will charge these customer segments in accordance to their tier's participation fee.

From the above price changes, the Reserve Banks estimate all customer segments will experience an average

increase of 0.8 percent of their total FRFS projected charges.

The Reserve Banks' primary risk to current projections for Check Services is a greater than expected decline in check volume due to the general reduction in check writing, substitution away from checks to other payment instruments, and competition from correspondent banks, aggregators, and direct exchanges, which would result in lower than anticipated revenue.

D. *FedACH Services*—Table 9 shows the 2022 actual, 2023 forecasted, and 2024 budgeted cost-recovery performance for commercial FedACH Services.

²⁵ This fee is charged to financial institutions that have received any Check 21 electronic or substitute check volume (forward or return) from the Reserve Banks during the month. The fee is applied at the parent financial institution level, as defined in the Reserve Banks' Global Customer Directory. Each

financial institution's tier assignment is determined by the criteria described in the FedForward Standard Endpoint Tier Listing.

²⁶ Because of FRFS' existing 8:00 a.m. ET Premium Delivery service, there are items deposited

between 7:30 a.m. and 9:30 a.m. today that cannot be presented on a same-day basis and therefore are held over until the following business day, thus the Federal Reserve incurs debit float in the process.

TABLE 9—FEDACH SERVICES PRO FORMA COST AND REVENUE PERFORMANCE
[Dollars in millions]

Year	Revenue	Total expense	Net income (roe)	Targeted roe	Recovery rate after targeted roe
	1	2	3[1–2]	4	5[1/(2 + 4)]
2022 (actual)	174.0	169.5	4.5	1.6	101.7
2023 (forecast)	183.0	170.6	12.4	2.2	105.9
2024 (budget)	184.8	171.0	13.8	3.6	105.8

1. *2023 Forecast*—The Reserve Banks forecast that FedACH Services will recover 105.9 percent of total expenses and targeted ROE, compared with a 2023 budgeted recovery rate of 99.0 percent.

Through August 2023, FedACH commercial origination and receipt volume was 0.4 percent higher and 2.0 percent higher, respectively, than they were during the same period last year. For full year 2023, the Reserve Banks estimate that FedACH commercial origination and receipt volume will increase 0.2 percent and 1.1 percent, respectively, from 2022 levels, compared with a budgeted increase of 0.6 percent and decline of 1.3 percent.

2. *2024 Pricing*—The Reserve Banks expect FedACH Services to recover 105.8 percent of total expenses and targeted ROE in 2024. The Reserve Banks project revenue to be \$184.8 million, an increase of \$1.8 million, or 1.0 percent, from the 2023 forecast. Total expenses are projected to be \$171.0 million, an increase of \$0.4 million, or 0.2 percent, from the 2023 forecast.

The Reserve Banks will increase the monthly ACH Settlement Fee from \$100 to \$110 per RTN per month for receivers in Tier 2 and from \$200 to \$250 per RTN per month for receivers in Tier 3.²⁷ The price changes are driven by ongoing operational costs and increased costs associated with the continued introduction of additional intraday settlement windows to the FedACH Service.

The Reserve Banks will introduce a new FedACH receipt 5-year discount program for FedACH customers with Premium Receiver status.²⁸ Eligible customers (Premium Receivers) that

choose to participate in the program will receive the following discounts for a five-year period as long as during that time they also maintain their existing Premium Receiver status:

- Customers with more than 30 million FedACH receipt items per month:
 - \$0.0002 per-item discount on all forward receipt items received through FedACH for the full 5-year length of the agreement
 - 50 percent discount on the FedACH FedPayments Reporter service (FPR) for two years at any point during participation in the program
 - 100 percent discount on the FedACH Exception Resolution Service (ERS) for two years at any point during their participation in the program
 - 100 percent discount on the FedACH FedPayments Insights service (FPI) for two years at any point during their participation in the program
- Customers with between 5 and 30 million FedACH receipt items per month
 - \$0.0001 per-item discount on all forward receipt items received through FedACH for the full 5-year length of the agreement
 - 25 percent discount on the FedACH FedPayments Reporter service (FPR) for two years at any point during their participation in the program
 - 50 percent discount on the FedACH Exception Resolution Service (ERS) for two years at any point during their participation in the program
 - 50 percent discount on the FedACH FedPayments Insights service (FPI) for two years at any point during their participation in the program

All of these discounts will be off of the price on the FedACH fee schedule for which a customer would otherwise

qualify if they didn't participate in the program. Eligible customers that choose not to participate in the program will continue to pay the existing fees for which they qualify, as delineated on the FedACH fee schedule. If any customer participating in the program violates the tenets of the program at any time, *i.e.*, drops below the 5 million FedACH receipt items per month threshold and/or does not maintain the Premium Receiver status (Level One or Two) they had as of the signing of the agreement, they will be removed from the program and will be charged by FRFS for all of the discounts they had accumulated since joining the program.

The Reserve Banks estimate the above price changes will result in a 0.3 percent average price decrease for FedACH customers.

In addition, the Reserve Banks expect to offer an ex-post Payment Anomaly Service at some point in 2024 to identify unusual activity on payments that have been cleared and settled through the FedACH Service. Additional details will be forthcoming through normal Reserve Bank channels.

The Reserve Banks' primary risks to current projections for the FedACH Service are unanticipated cost overruns associated with continued technology and resiliency investments, and lower-than-projected volumes and growth due to the market and economic environment.

E. *Fedwire Funds Service and National Settlement Service*—Table 10 shows the 2022 actual, 2023 forecasted, and 2024 budgeted cost-recovery performance for the Fedwire Funds Service and the National Settlement Service.

²⁷ Premium Receivers, Tier 1, will be subject to a settlement fee of \$60 per RTN per month. Non-Premium Receivers with a volume threshold of less than 1,500,000 items per month, Tier 2, will be subject to a settlement fee of \$110 per RTN per month. Non-Premium Receivers with a volume

threshold of more than 1,500,000 items per month, Tier 3, will be subject to a settlement fee of \$250 per RTN per month.

²⁸ Premium Receivers are Receiving Depository Financial Institutions (RDFIs) receiving through FedACH at least 90 percent of their FedACH-

originated items, but less than 90 percent of all of their ACH items originated through any operator (Level One); or RDFIs receiving through FedACH at least 90 percent of all of their ACH items originated through any operator (Level Two).

TABLE 10—FEDWIRE FUNDS SERVICE AND NATIONAL SETTLEMENT SERVICE PRO FORMA COST AND REVENUE PERFORMANCE
[Dollars in millions]

Year	Revenue 1	Total expense 2	Net income (roe) 3[1–2]	Targeted roe 4	Recovery rate after targeted roe 5[1/(2 + 4)]
2022 (actual)	157.3	160.8	(3.4)	4.3	95.3
2023 (forecast)	163.6	157.2	6.4	4.3	101.3
2024 (budget)	163.8	155.6	8.2	3.1	103.2

1. *2023 Forecast*—The Reserve Banks forecast that the Fedwire Funds Service and the National Settlement Service will recover 101.3 percent of total expenses and targeted ROE, compared with a 2023 budgeted recovery rate of 96.2 percent.

Through August 2023, Fedwire Funds Service online volume was 2.5 percent lower than it was during the same period last year. For full-year 2023, the Reserve Banks estimate that Fedwire Funds Service online volume will increase 0.1 percent from 2022 levels, compared with a budgeted increase of 2.9 percent. Through August 2023, the National Settlement Service settlement file volume was 3.0 percent lower than it was during the same period last year, and settlement entry volume was 1.0 percent lower. For full-year 2023, the Reserve Banks estimate that settlement file volume will decrease 3.5 percent (compared with a budgeted decrease of 0.1 percent) and settlement entry volume will decrease 0.8 percent (compared with a budgeted 0.4 percent increase) from 2022 levels.

2. *2024 Pricing*—The Reserve Banks expect the Fedwire Funds Service and the National Settlement Service to recover 103.2 percent of total expenses in 2024. Revenue is projected to be \$163.8 million, an increase of \$0.2 million, or 0.2 percent from the 2023 forecast. The Reserve Banks project total

expenses to be \$155.6 million, a decrease of \$1.6 million, or 1 percent, from the 2023 forecast. Although overall expenses are decreasing, the largest technology initiative for the Fedwire Funds Service is the transition to the ISO 20022 messaging format.²⁹ In addition, the National Settlement Service continues to incur higher costs because of the expansion of its operating hours in 2022.³⁰

The Reserve Banks will increase all three of the gross origination and receipt tiered fees. The tier 1 fee will increase from \$0.92 to \$0.94, the tier 2 fee will increase from \$0.285 to \$0.29, and the tier 3 fee will increase from \$0.18 to \$0.19. In addition, the Fedwire Funds Service participation fee will increase from \$100 to \$115, alongside a FedPayments Manger Import/Export fee increase of \$50 to \$60. The Reserve Banks will change National Settlement Service fees for 2024. The per file fee will increase from \$30 to \$35, and the per entry fee will increase from \$1.50 to \$1.70. The Reserve Banks estimate the above price changes will result in a 5 percent average price increase for customers. In addition to addressing the rising expenses noted above, these fee increases serve to balance additional costs incurred by the National Settlement Service since their last fee increase in 2014. In particular, ongoing maintenance and personnel costs largely

related to the expansion of operating hours, which are subject to inflationary pressures, have increased considerably in the interim.

In addition, these fee increases will help address diminishing fixed fee revenue from the Fedwire Funds Service as fee revenue has become increasingly dependent on variable resources. To note, the percentage of fixed fee revenue has decreased from 12 percent in 2014 to 7 percent in 2023. This has resulted in larger variances in fee revenue as volume moves higher or lower. The proposed fee increases will bolster the percentage of fixed fee revenue to approximately 8 percent in 2024.

The Reserve Banks' primary risk to current projections for these services is uncertainty about the economic outlook for 2024, which complicates the accuracy of 2024 volume projections. Historically, Fedwire Funds Service volume has reflected market conditions, and a broader downturn in 2024 would likely result in a decrease in Fedwire Funds Service volume.³¹ Separately, unexpected increases in 2024 technology costs would likely result in reduced cost recovery for the year.

F. *Fedwire Securities Service*—Table 11 shows the 2022 actual, 2023 forecast, and 2024 budgeted cost-recovery performance for the Fedwire Securities Service.³²

²⁹ In October 2021, the Board announced that the Federal Reserve Banks will adopt the ISO 20022 message format for the Fedwire® Funds Service. See New Message Format for the Fedwire Funds Services, 86 FR 55600 (June 27, 2022). Available at [Federal Register Notice: New Message Format for the Fedwire Funds Service](#).

³⁰ The National Settlement Service expanded its hours to 21.5 hours per day in 2022, with a new 9:00 p.m. ET open for the next business day.

³¹ Fedwire Funds Service volume growth reflects economic growth. For example, its volume has grown every year except for 2008 and 2009, when it contracted 2.5 percent and 5.0 percent, respectively, during the Great Recession. For historical Fedwire Funds Service volume data, see [frb-services.org](https://www.frb-services.org/resources/financial-services/wires/volume-value-stats/annual-stats.html), "Fedwire Funds Service—Annual Statistics. Available at: <https://www.frb-services.org/resources/financial-services/wires/volume-value-stats/annual-stats.html>.

³² The Reserve Banks provide transfer services for securities issued by the U.S. Treasury, federal government agencies, government-sponsored enterprises, and certain international institutions. Prior to 2023, the priced component of this service consisted of revenues, expenses, and volumes associated with the transfer of all non-Treasury securities. Starting in 2023, the revenues, expenses, and volumes associated with the transfer of Treasury securities are also included in the priced component of this service.

TABLE 11—FEDWIRE SECURITIES SERVICE PRO FORMA COST AND REVENUE PERFORMANCE

[Dollars in millions]

Year	Revenue	Total expense	Net income (roe)	Targeted roe	Recovery rate after targeted roe
	1	2	3 [1 – 2]	4	5 [1/(2 + 4)]
2022 (actual)	24.9	22.9	2.0	0.2	107.6
2023 (forecast)	47.7	39.7	8.1	0.5	118.9
2024 (budget)	46.8	41.4	5.4	0.8	110.9

1. *2023 Forecast*—The Reserve Banks forecast that the Fedwire Securities Service will recover 118.9 percent of total expenses and targeted ROE, compared with a 2023 budgeted recovery rate of 106.5 percent.

Through August 2023, Treasury security transfer volume was 24.3 percent higher than it was during the same period last year. For full-year 2023, the Reserve Banks estimate that Treasury security transfer volume will increase 17.7 percent from 2022 levels, compared with a budgeted increase of 1.0 percent. Through August 2023, Agency security transfer volume was 11.1 percent lower than it was during the same period last year. For full-year 2023, the Reserve Banks estimate that Agency security transfer volume will decrease 9.4 percent from 2022 levels, compared with a budgeted decrease of 9.2 percent.

Through August 2023, account maintenance volume was 1.9 percent lower than it was during the same period last year. For full-year 2023, the Reserve Banks estimate that account maintenance volume will decline 1.4 percent from 2022 levels, compared with a budgeted decline of 3.3 percent. Through August 2023, the number of agency issues maintained was 2.0 percent higher than it was during the same period last year. For full-year 2023, the Reserve Banks estimate that the number of agency issues maintained will increase 1.3 percent from 2022 levels, compared with a budgeted decline of 0.1 percent.

2. *2024 Pricing*—The Reserve Banks expect the Fedwire Securities Service to recover 110.9 percent of total expenses and targeted ROE in 2024. Revenue is projected to be \$46.8 million, a decrease of \$0.9 million, or 2.0 percent, from the 2023 revenue forecast. The Reserve Banks also project that 2024 expenses will be \$41.4 million, an increase of \$1.7 million, or 4.3 percent from the 2023 forecast.

The Reserve Banks will leave fee schedules for the Fedwire Securities Service unchanged in 2024. The Reserve Banks project that agency transfer

volume will remain relatively stable compared with previous years, with no notable changes that could potentially have a significant impact on agency transfers. The volume of Treasury security transfers is projected to decrease due to the moderation of higher than expected Treasury security transfer volume in 2023. The volume of accounts maintained are expected to decrease 2.5 percent, consistent with recent trends and primarily driven by a reduction in joint custody accounts. The volume of agency issues maintained is expected to remain relatively flat, driven by the expecting slowing of net issuance of Agency MBS. Claim adjustment volume is expected to remain relatively stable consistent with recent trends.

The Reserve Banks' primary risks to current projections for the Fedwire Securities Service include variations in technology costs and product volume forecasts stemming from an uncertain economic outlook.

G. FedNow Service

1. *Cost to Introduce the FedNow Service*—Following the FedNow Service launch in July 2023 and in alignment with its 2019 **Federal Register** Notice announcing its decision to introduce the service, the Board is publishing total cost to bring the FedNow Service to market.³³ From August 2019 through July 2023, costs to introduce the FedNow Service totaled \$545 million. These costs include efforts to develop key FedNow Service features and functionality, as well as activities to support financial institutions as they leverage the service to provide innovative instant payments solutions to individuals and businesses. This figure includes costs related to delivery of a secure and resilient payments infrastructure that leverages cloud-first design, and implementation of 24x7 operations to support processing around

³³ See "Federal Reserve Actions to Support Interbank Settlement of Instant Payments," (August 9, 2019). Available at 2019-17027.pdf (govinfo.gov). Per its 2019 Notice, the Board committed to disclosing costs related to development of the service beginning the year the service is available to participating banks.

the clock. Additionally, costs include efforts to integrate the FedNow Service into existing Reserve Bank technology (for example, FedLine Solutions), implementation of a new seven-day accounting regime by the Federal Reserve, and education and readiness activities to prepare stakeholders across the payments ecosystem for adoption of the FedNow Service.

2. *2024 Pricing*—The Reserve Banks will maintain the previous year's fee schedule, inclusive of discounts.³⁴ With these discounts, the FedNow Service participation fee will be \$0.00 in recognition of the limited network reach, and customer credit transfers (CCTs) under a threshold of 2,500 per month will be \$0.00.³⁵ The discount for a limited number of CCTs is intended to support institutions of all sizes as they validate processing capabilities in production through regular test transactions with partners as well as acclimate to 24x7 operations. In addition, to encourage the onboarding of customers, new FedLine Advantage channel connections or upgrades from existing FedLine Solutions to FedLine Advantage will be discounted to \$0.00 for a rolling 12-month period following initiation.

H. FedLine Solutions—The Reserve Banks charge fees for the electronic

³⁴ This pricing is set to recover costs associated with mature volume estimates, when the service has relatively stable costs and revenues. This approach, which is in alignment with how the Reserve Banks have set fees for new services in the past, should limit prohibitively high or unnecessarily volatile pricing as the service matures. For instance, in establishing fees for the Federal Reserve's ACH service, the Board allowed fees to be set to recover costs associated with mature volume estimates instead of current costs. See Board of Governors of the Federal Reserve System, "Adoption of Fee Schedules and Pricing Principles for Federal Reserve Bank Services," 46 FR 1338, 1343 (Jan. 6, 1981). Available at: <https://cdn.loc.gov/service/ll/fedreg/fr046/fr046003/fr046003.pdf>.

³⁵ The participation fee will only be charged to RTNs that are able to receive CCTs (Send & Receive or Receive-only participation types). The participation fee will not be charged to Liquidity Management Transfer (LMT) only and Settlement-only participation types in 2024. The discount for CCT results from offsetting the fees for the first 2,500 CCTs (per month) and will be applied per RTN enrolled in the FedNow Service.

connections that financial institutions use to access priced services and allocate the costs and revenues associated with this electronic access to the priced services.³⁶ There are six FedLine Solutions channels through which customers can access the Reserve Banks' priced services: FedMail, FedLine Exchange®, FedLine Web, FedLine Advantage, FedLine Command® and FedLine Direct®.³⁷ The Reserve Banks bundle these channels into 12 FedLine Solutions packages, described below, that are supplemented by a number of premium (or à la carte) access and accounting information options. In addition, the Reserve Banks offer FedComplete® packages, which are bundled offerings of FedLine connections and a fixed number of FedACH Services, Fedwire Funds Service, and Check 21-enabled transactions.³⁸ FedLine Solutions packages offer attended or unattended access to critical payment and information services. FedMail, FedLine Exchange, FedLine Web, and FedLine Advantage packages offer attended or manual access via a web-based interface.³⁹ In addition, FedLine Advantage offers attended access to the FedNow Service since its launch in July 2023. FedLine Command and FedLine

Direct packages are computer-to-computer, internet protocol-based interfaces that support unattended access. The FedLine Command package offers an unattended connection to FedACH, most accounting information services, and the FedNow Service. FedLine Direct packages allow for unattended connections at multiple connection speeds to Check, FedACH, Fedwire Funds, and Fedwire Securities transactional and information services and to most accounting information services. In addition, FedLine Direct packages also allow for unattended connection to the FedNow Service.

In order to continue to support FedMail Services, the Reserve Banks will increase the monthly fees for the FedMail Email Service from \$85 to \$100 and increase the monthly fee for the FedMail Service from \$85 to \$100. The FedMail Email Service is available à la carte only for FedLine Web or higher packages. FedMail is a legacy service, and the fee increases are to incentivize customers to migrate to more contemporary, online solutions such as FedLine Web. This is part of the Reserve Banks' multiyear effort to provide highly secure, modern access solutions, and value-added services not available on legacy technology.

The FedLine Web solution offers access to core information services as well as check payment services. The Reserve Banks will create a new pricing tier for FedLine Web called FedLine Web Premier for a monthly fee of \$200. Automation of payments and informational services is available through FedLine Command and FedLine Direct packages, so credentialing a customer who desires check payment automation via FedLine Web requires a manual exception process by the FRFS Support Center. The Reserve Banks proposed the new pricing tier to reflect the cost of credentialing users and the value check files automation technology provides to payment services not offered by attended services such as FedLine Web and FedLine Web Plus.

The introduction of the FedNow Service requires multiple enhancements, such as 7-Day Accounting, that have been made to the Accounting Information Services (AIS). The Reserve Banks will increase prices for the AIS to reflect the enhancement value as well as to incent customers toward automated channels that better address their needs. Specifically, the Reserve Banks will increase the following fees:

TABLE 12—ACCOUNTING INFORMATION SERVICES FEE SCHEDULE

Electronic Access Service	Fee (per month)
End-of-Day Financial Institution Reconciliation Data (FIRD) File	from \$150 to \$200.
Statement of Account Spreadsheet File (SASF)	from \$150 to \$200.
Intra-day Download Search Results in Spreadsheet Format (with Accounting Management Information (AMI))	from \$150 to \$200.
CMS Plus Own Report—Up to 12 files with no OSRTN, Respondent or Subaccount activity	from \$60 to \$75.
CMS Plus Own Report plus OSRTN, Respondents and Subaccounts—Up to 12 files with up to nine OSRTNs, Respondents and Subaccounts.	from \$125 to \$150.
CMS Plus Own Report plus OSRTN, Respondents and Subaccounts—Up to 12 files with 10–50 OSRTNs, Respondents and Subaccounts.	from \$250 to \$300.
CMS Plus Own Report plus OSRTN, Respondents and Subaccounts—Up to 12 files with 51–100 OSRTNs, Respondents and Subaccounts.	from \$500 to \$600.
CMS Plus Own Report plus OSRTN, Respondents and Subaccounts—Up to 12 files with 101–500 OSRTNs, Respondents and Subaccounts.	from \$750 to \$900.
CMS Plus Own Report plus OSRTN, Respondents and Subaccounts—Up to 12 files with over 500 OSRTNs, Respondents and Subaccounts.	from \$1,000 to \$1,200.

The Reserve Banks estimate that the above price changes will result in an average 2.7 percent price increase for customers.

II. Analysis of Competitive Effect

All operational and legal changes considered by the Board that have a substantial effect on payment system participants are subject to the competitive impact analysis described

in the March 1990 policy “The Federal Reserve in the Payments System.”⁴⁰ Under this policy, the Board assesses whether changes would have a direct and material adverse effect on the ability of other service providers to

³⁶ FedLine Solutions provide customers with access to Reserve Bank priced services. As a result, FedLine costs and revenue are allocated to the Reserve Banks' priced services on an expense ratio basis.

³⁷ FedMail, FedLine Exchange, FedLine Web, FedLine Advantage, FedLine Command, and FedLine Direct are registered trademarks of the Federal Reserve Banks.

³⁸ The Reserve Banks are preparing to deliver services to the industry via Application Programming Interfaces (API). APIs are a set of protocols for connecting software systems programmatically, enabling system-to-system interoperability. Communication will be forthcoming on timing, availability, and pricing of initial APIs.

³⁹ Attended packages require manual processes compared to automation of payment and information services offered by unattended packages. The Reserve Banks will continue to update pricing to differentiate the value proposition offered by attended and unattended packages.

⁴⁰ Federal Reserve Regulatory Service (FRRS) 9–1558.

compete effectively with the Federal Reserve in providing similar services because of differing legal powers or constraints or because of a dominant market position deriving from such legal differences. If any proposed changes create such an effect, the Board must further evaluate the changes to assess whether the benefits associated with the changes—such as contributions to payment system efficiency, payment system integrity, or other Board objectives—can be achieved while minimizing the adverse effect on competition.

The 2024 fees, fee structures, and changes in service will not have a direct

and material adverse effect on the ability of other service providers to compete effectively with the Reserve Banks in providing similar services. When conducting the competitive effect analysis for the FedNow Service, the Federal Reserve assessed whether its pricing strategy as a new service, including discounts, would have a material, adverse effect on the ability of other service providers to compete effectively with the Reserve Banks due to differing legal powers or a dominate market position as a result of such differing legal powers. The Board concluded that the pricing strategy,

including discounts, followed general market practice for new services and could similarly be implemented by private sector providers unrelated to any differing legal powers. Therefore, the Reserve Banks' pricing does not have a material adverse effect on the ability of other service providers to compete effectively with the Reserve Banks in providing similar services.

The Reserve Banks expect to continue to achieve aggregate long-run cost recovery across all mature priced services.

III. 2024 Fee Schedules

FEDACH® SERVICES 2024 FEE SCHEDULE

[Effective January 2, 2024. **Bold indicates changes from 2023 prices.**]

	Fee
FedACH minimum monthly fee:	
Originating depository financial institution (ODFI) ⁴¹	\$50.00.
Receiving depository financial institution (RDFI) ⁴²	40.00.
Origination (per item or record):	
Forward or return items	0.0035.
SameDay Service—forward item ⁴³	0.0010 surcharge.
Addenda record	0.0015.
FedLine Web-originated returns and notification of change (NOC) ⁴⁴	0.50.
Facsimile Exception Return/NOC ⁴⁵	45.00.
SameDay Exception Return	45.00.
Automated NOC	0.20.
Volume discounts (based on monthly billed origination volume) ⁴⁶ per item when origination volume is	
750,001 to 1,500,000 items per month discount	0.0008.
more than 1,500,000 items per month discount	0.0010.
Volume discounts (based on monthly billed receipt volume) ⁴⁷ per item when receipt volume is	
10,000,001 to 15,000,000 items per month discount	0.0002.
more than 15,000,000 items per month discount	0.0003.
Receipt (per item or record):	
Forward Item	0.0035.
Return Item	0.0075.
Addenda record	0.0015.
Volume discounts:	
Non-Premium Receivers ⁴⁸ per item when volume is	
750,001 to 12,500,000 items per month ⁴⁹	0.0017 discount.
more than 12,500,000 items per month ⁵⁰	0.0019 discount.
Premium Receivers, Level One ⁵¹ per item when volume is	
750,001 to 1,500,000 items per month ⁵²	0.0017 discount.
1,500,001 to 2,500,000 items per month ⁵³	0.0017 discount.
2,500,001 to 12,500,000 items per month ⁵³	0.0018 discount.
12,500,001 to 30,000,000 items per month ⁵³	0.0020 discount.
more than 30,000,000 items per month ⁵³	0.0023 discount.
Premium Receivers, Level Two ⁵⁴ per item when volume is	
750,001 to 1,500,000 items per month ⁵⁵	0.0017 discount.
1,500,001 to 2,500,000 items per month ⁵⁶	0.0017 discount.
2,500,001 to 12,500,000 items per month ⁵⁶	0.0019 discount.
12,500,001 to 30,000,000 items per month ⁵⁶	0.0021 discount.
more than 30,000,000 items per month ⁵⁶	0.0024 discount.
FedACH Risk Management Services: ⁵⁷	
Monthly Package Fee (a single fee based on total number of criteria sets):	
For up to 5 criteria sets	45.00.
For 6 through 11 criteria sets	85.00.
For 12 through 23 criteria sets	150.00.
For 24 through 47 criteria sets	180.00.
For 48 through 95 criteria sets	300.00.
For 96 through 191 criteria sets	510.00.
For 192 through 383 criteria sets	810.00.
For 384 through 584 criteria sets	1,025.00.
For more than 584 criteria sets	1,325.00.
Batch/Item Monitoring (based on total monthly volume):	
For 1 through 100,000 batches (per batch)	0.007.
For more than 100,000 batches (per batch)	0.0035.

FEDACH® SERVICES 2024 FEE SCHEDULE—Continued
 [Effective January 2, 2024. **Bold indicates changes from 2023 prices.**]

	Fee
FedPayments Insights Service: ⁵⁸	
Monthly Fee (a single fee based on commercial receipt volume):	
0–50,000 items per month	75.00.
50,001–100,000 items per month	120.00.
100,001–500,000 items per month	180.00.
500,001–1,000,000 items per month	260.00.
1,000,001–5,000,000 items per month	340.00.
5,000,001–10,000,000 items per month	450.00.
10,000,001–25,000,000 items per month	550.00.
25,000,001–60,000,000 items per month	625.00.
Over 60,000,000 items per month	700.00.
Monthly FedPayments Reporter Service:	
FedPayments Reporter Service monthly package includes the following reports:	
ACH Received Entries Detail—Customer and Depository Financial Institution	
ACH Return Reason Report—Customer and Depository Financial Institution	
ACH Originated Entries Detail—Customer and Depository Financial Institution	
ACH Volume Summary by SEC Code—Customer	
ACH Customer Transaction Activity	
ACH Death Notification	
ACH International (IAT)	
ACH Notification of Change	
ACH Payment Data Information File	
ACH Remittance Advice Detail	
ACH Remittance Advice Summary	
ACH Return Item Report and File	
ACH Return Ratio	
ACH Social Security Beneficiary	
ACH Originator Setup	
ACH Report Delivery via FedLine Solution	
On Demand Report Surcharge ⁵⁹	1.00.
Monthly Package Fee (counts reflect reports generated as well as delivered via a FedLine Solution):	
For up to 50 reports	45.00.
For 51 through 150 reports	65.00.
For 151 through 500 reports	120.00.
For 501 through 1,000 reports	220.00.
For 1,001 through 1,500 reports	320.00.
For 1,501 through 2,500 reports	505.00.
For 2,501 through 3,500 reports	705.00.
For 3,501 through 4,500 reports	900.00.
For 4,501 through 5,500 reports	1,095.00.
For 5,501 through 7,000 reports	1,350.00.
For 7,001 through 8,500 reports	1,585.00.
For 8,501 through 10,000 reports	1,815.00.
For more than 10,000 reports	1,980.00.
Premier reports (per report generated): ⁶⁰	
ACH Volume Summary by SEC Code Report—Depository Financial Institution:	
For 1 through 5 reports	10.00.
For 6 through 10 reports	6.00.
For 11 or more reports	1.00.
On Demand Surcharge	1.00.
ACH Routing Number Activity Report:	
For 1 through 5 reports	10.00.
For 6 through 10 reports	6.00.
For 11 or more reports	1.00.
On Demand Surcharge	1.00.
ACH Originated Batch Report (monthly):	
For 1 through 5 reports	10.00.
For 6 through 10 reports	6.00.
For 11 or more reports	1.00.
On Demand Surcharge	1.00.
ACH Originated Batch Report (daily):	
Scheduled Report	0.65.
On Demand Surcharge	1.00.
On-us inclusion:	
Participation (monthly fee per RTN)	10.00.
Per-item	0.0030.
Per-addenda	0.0015.
Report delivery via encrypted email (per email)	0.20.
Other Fees and Discounts:	
Monthly fee (per RTN):	
FedACH Participation Fee ⁶¹	75.00.

FEDACH® SERVICES 2024 FEE SCHEDULE—Continued
 [Effective January 2, 2024. **Bold indicates changes from 2023 prices.**]

	Fee
Same Day Service Origination Participation Fee ⁶²	10.00.
FedACH Settlement Fee ⁶³	
Premium Receivers, Level One and Level Two	60.00.
Non-Premium Receivers when volume is less than 1,500,000 items per month, Tier 2	110.
Non-Premium Receivers when volume is more than 1,500,000 items per month, Tier 3	250.00.
FedACH Information File Extract Fee	180.00.
IAT Output File Sort Fee	150.00.
Fixed Participation Fee—Automated NOCs ⁶⁴	5.00.
Non-Electronic Input/Output fee: ⁶⁵	
CD/DVD (CD or DVD)	50.00.
Paper (file or report)	50.00.
Fees and Credits Established by Nacha: ⁶⁶	
Nacha Same-Day Entry fee (per item)	0.052.
Nacha Same-Day Entry credit (per item)	0.052 (credit).
Nacha Unauthorized Entry fee (per item)	4.50.
Nacha Unauthorized Entry credit (per item)	4.50 (credit).
Nacha Admin Network fee (monthly fee per RTN) ⁶⁷	28.67.
Nacha Admin Network fee (per entry)	0.000185.
FedGlobal® ACH Payments: ⁶⁸	
Fixed Monthly Fee (per RTN): ⁶⁹	
Monthly origination volume more than 500 items	185.00.
Monthly origination volume between 161 and 500 items	60.00.
Monthly origination volume less than 161 items	20.00.
Per-item Origination Fee for Monthly Volume more than 500 Items (surcharge): ⁷⁰	
Mexico service	0.55.
Panama service	0.60.
Per-item Origination Fee for Monthly Volume between 161 and 500 items (surcharge): ⁷⁰	
Mexico service	0.80.
Panama service	0.85.
Per-item Origination Fee for Monthly Volume less than 161 items (surcharge): ⁷⁰	
Mexico service	1.05.
Panama service	1.10.
Other FedGlobal ACH Payments Fees:	
Mexico service:	
Return received from Mexico ⁷¹	0.91 (surcharge).
Item trace ⁷²	13.50.
Foreign currency to foreign currency (F3X) item originated to Mexico ⁷⁰	0.67 (surcharge).
Panama service:	
Return received from Panama ⁷¹	1.00 (surcharge).
Item trace ⁷²	7.00.
NOC	0.72.
Exception Resolution Service:	
Monthly Fees (applies to cases only at the parent RTN): ⁷³	
Up to 5 cases	20.00.
6–25 cases	40.00.
26–50 cases	60.00.
51–100 cases	100.00.
101–1,000 cases	250.00.
1,001–5,000 cases	400.00.
5,001 cases and above	500.00.
Offline Service Participant—Case Fees: ⁷⁴	
Case Open Fee	5.00.
Case Response Fee	5.00.
FedACH Receipt Discount Program Introduced in 2024⁷⁵	
Customers with more than 30 million FedACH receipt items per month:	
Per-item discount on all forward receipt items received through FedACH for the full five-year length of the agreement.	0.0002
Percentage discount on the FedACH FedPayments® Reporter service (FPR) for two years at any point during participation in the program.	50 percent.
Percentage discount on the FedACH Exception Resolution Service (ERS) for two years at any point during their participation in the program.	100 percent.
Percentage discount on the FedACH FedPayments® Insights service (FPI) for two years at any point during their participation in the program.	100 percent.
Customers with between 5 and 30 million FedACH receipt items per month:	
Per-item discount on all forward receipt items received through FedACH for the full 5-year length of the agreement.	0.0001.
Percentage discount on the FedACH FedPayments Reporter service (FPR) for two years at any point during their participation in the program.	25 percent.
Percentage discount on the FedACH Exception Resolution Service (ERS) for two years at any point during their participation in the program.	50 percent.

FEDACH® SERVICES 2024 FEE SCHEDULE—Continued
 [Effective January 2, 2024. **Bold indicates changes from 2023 prices.**]

	Fee
Percentage discount on the FedACH FedPayments Insights service (FPI) for two years at any point during their participation in the program.	50 percent.

FEDWIRE® FUNDS SERVICE AND NATIONAL SETTLEMENT SERVICE 2024 FEE SCHEDULES
 [Effective January 2, 2024. **Bold indicates changes from 2023 prices.**]

	Fee
Fedwire® Funds Service	
Monthly Participation Fee	\$115.00
Basic volume-based pre-incentive transfer fee (originations and receipts)—per transfer for	
Tier 1: The first 14,000 transfers per month	0.940
Tier 2: Additional transfers up to 90,000 per month	0.290
Tier 3: Every transfer over 90,000 per month	0.190
Volume-based transfer fee with the incentive discount (originations and receipts)—per eligible transfer for ⁷⁶	
Tier 1: The first 14,000 transfers per month	0.188
Tier 2: Additional transfers 14,001 to 90,000 per month	0.058
Tier 3: Every transfer over 90,000 per month	0.038
Surcharge for Offline Transfers (Originations and Receipt)	75.00
Surcharge for End-of-Day Transfer Originations ⁷⁷	0.26
Monthly FedPayments Manager Import/Export fee ⁷⁸	60.00
Surcharge on transfers >\$10 million Origination and Receipt	0.14
Surcharge on transfers >\$100 million Origination and Receipt	0.36
Surcharge for Payment Notification:	
Origination Surcharge ⁷⁹	0.01
Receipt Volume ^{79 80}	N/A
Delivery of Reports—Hard Copy Reports to On-Line Customers	50.00
Special Settlement Arrangements (charge per settlement day) ⁸¹	150.00

National Settlement Service

Basic:	
Settlement Entry Fee	1.70
Settlement File Fee	35.00
Surcharge for Offline File Origination ⁸²	45.00
Minimum Monthly Fee ⁸³	60.00

FEDWIRE® SECURITIES SERVICE 2024 FEE SCHEDULE
 [Effective January 2, 2024. **Bold indicates changes from 2023 prices.**]

	Fee
Basic Transfer Fee: ^{84 85}	
Agency Securities: Transfer or reversal originated or received	\$0.61
Treasury Securities: Transfer or reversal originated or received	0.61
Surcharge: ⁸⁶	
Agency Securities: Offline origination & receipt surcharge	80.00
Treasury Securities: Offline origination & receipt surcharge	80.00
Monthly Maintenance Fees: ⁸⁷	
Agency Securities: Account maintenance (per account) ⁸⁸	57.50
Agency Securities: Issue maintenance (per issue/per account) ⁸⁹	0.61
Treasury Securities: Account maintenance (per account) ⁹⁰	None
Treasury Securities: Issue maintenance (per issue/per account) ⁹¹	None
ACAP Fees: ^{92 93}	
Claims Adjustment Fee	1.00
Tracking Indicators Fee	0.10
Position Maintenance Fee (per position maintained/per business day) ^{94 95}	0.03
GNMA Serial Note Stripping or Reconstitution Fee ⁹⁶	9.00
Joint Custody Origination Surcharge ^{97 98}	46.00
Delivery of Reports—Hard Copy Reports to On-Line Customers ⁹⁹	50.00

FEDNOW® SERVICE 2024 FEE SCHEDULE

[Effective January 2, 2024. **Bold indicates changes from 2023 prices.**]

	Fee
Customer Credit Transfer (per item) PACS.008 Origination	\$0.045.
Customer Credit Transfer Returns (per item) PACS.004 Origination	0.045.
Liquidity Management Transfer (LMT) (per-item) PACS.009 Origination	1.00.
Request for Payment (RFP) (per-item) PAIN.013	0.01.
PACS.008 Origination Discount	–\$0.045 per item for up to 2,500 customer credit transfers per month (in 2024).
Participation Fee—General (per month)	\$25.00 , discounted to \$0.00 in 2024.

FEDLINE® 2024 FEE SCHEDULE

[Effective January 2, 2024. **Bold indicates changes from 2023 prices.**]

	Fee
FedComplete Packages (monthly) ^{100 101}	
FedComplete 100A Plus ¹⁰²	\$900.00.
FedComplete 100A Premier	975.00.
includes:	
FedLine Advantage Premier package.	
Volumes included in the FedComplete 100A Plus package.	
FedComplete 200A Plus	1,425.00.
FedComplete 200A Premier	1,500.00.
includes:	
FedLine Advantage Premier package.	
Volumes included in the FedComplete 200A Plus package.	
FedComplete Excess Volume and Receipt Surcharge: ¹⁰³	
FedForward ¹⁰⁴	0.03700/item.
FedReturn	0.82000/item.
FedReceipt	0.00005/item.
Fedwire Funds Origination	0.94000/item.
Fedwire Funds Receipt	0.09400/item.
FedACH Origination	0.00350/item.
FedACH Receipt	0.00035/item.
FedComplete credit adjustment	various.
FedComplete debit adjustment	various.
FedLine Solutions (monthly)	
FedMail ¹⁰⁵	\$100.00.
FedLine Exchange ¹⁰⁵	40.00.
includes:	
E-Payments Directory (via manual download).	
FedLine Exchange Premier ¹⁰⁵	125.00.
includes:	
FedLine Exchange package.	
E-Payments Directory (via automated download).	
FedLine Web ¹⁰⁶	110.00.
FedLine Web Plus ¹⁰⁶	160.00.
FedLine Web Premier ¹⁰⁶	200.00
includes:	
Services included in the FedLine Web Plus package.	
Check File Automation.	
FedLine Advantage ^{106 107}	415.00.
FedLine Advantage Plus ^{106 107}	460.00.
FedLine Advantage Premier ^{106 107}	570.00.
Includes:	
FedLine Advantage Plus package.	
Two VPN devices.	
Fedwire Funds FedPayments Manager Import/Export (more than 250 Fedwire transactions or more than one routing number in a given month).	
FedTransaction Analyzer (more than 250 Fedwire transactions or more than one routing number per month).	
FedLine Command Plus	1,035.00.
FedLine Direct Plus ¹⁰⁸	5,500.00.
FedLine Direct Premier ¹⁰⁸	10,500.00.
includes:	
Services included in the FedLine Direct Plus package.	

FEDLINE® 2024 FEE SCHEDULE—Continued

[Effective January 2, 2024. **Bold indicates changes from 2023 prices.**]

	Fee
Two 2 Mbps dedicated WAN Connections. One Network Diversity. Two VPN devices.	
A la carte options (monthly) ¹⁰⁹	
Electronic Access:	
FedMail—FedLine Exchange Subscribers—Pack of 5	25.00.
FedLine Subscribers—Pack of 5	100.00.
Additional VPNs ¹¹⁰	100.00.
Additional 2 Mbps WAN connection ¹⁰⁸	3,000.00.
WAN Connection Upgrade	
10 Mbps ¹¹¹	1,700.00.
30 Mbps ¹¹¹	3,000.00.
50 Mbps ¹¹¹	4,000.00.
100 Mbps ¹¹¹	7,000.00.
200 Mbps ¹¹¹	11,000.00.
FedLine International Setup (one-time fee)	5,000.00.
FedLine Custom Implementation Fee (one-time fee) ¹¹²	2,500–5,000.
Network Diversity	2,500.00.
FedMail Email (for customers with FedLine Web and above) ¹¹³	100.00
VPN Device Modification (one-time fee)	200.00.
VPN Device Missed Activation Appointment (one-time fee)	175.00.
VPN Device Expedited Hardware Surcharge (one-time fee)	100.00.
VPN Device Replacement or Move (one-time fee)	300.00.
E-Payments Automated Download Codes (Add'l Codes—Pack of 5) ¹¹⁴	75.00/month.
E-Payments Automated Download Codes (Add'l Codes—Pack of 20) ¹¹⁴	150.00/month.
E-Payments Automated Download Codes (Add'l Codes—Pack of 50) ¹¹⁴	300.00/month.
E-Payments Automated Download Codes (Add'l Codes—Pack of 100) ¹¹⁴	500.00/month.
E-Payments Automated Download Codes (Add'l Codes—Pack of 250) ¹¹⁴	1,000.00/month.
E-Payments Automated Download Codes (Add'l Codes—>250) ¹¹⁴	2,000.00/month.
Daily Statement of Account Activity and Monthly Statement of Service Charges (monthly): ^{115 116}	
End-of-Day Financial Institution Reconciliation Data (FIRD) File	200.00.
Statement of Account Spreadsheet File (SASF)	200.00.
Cash Management Service (CMS) Plus and Intra-day Service (monthly):	
Cash Management System (CMS) Plus—Own report—up to 12 files with ¹¹⁷ .	
no OSRTN, respondent/sub-account activity	75.00.
Up to nine OSRTNs, respondents and/or sub-accounts	150.00.
10–50 OSRTNs, respondents and/or sub-accounts	300.00.
51–100 OSRTNs, respondents and/or sub-accounts	600.00.
101–500 OSRTNs, respondents and/or sub-accounts	900.00.
>500 OSRTNs, respondents and/or sub-accounts	1,200.00.
Intra-day Download Search Results in Spreadsheet Format (with AMI) ¹¹⁸	200.00.
Other:	
Replacement Copies ¹¹⁹ .	
Daily Statement of Account	10.00/copy.
Monthly Statement of Service Charges	10.00/copy.
Vendor Pass-Through Fee	various.
Electronic Access Credit Adjustment	various.
Electronic Access Debit Adjustment	various.

⁴¹ Any ODFI incurring less than \$50 for the following fees will be charged a variable amount to reach the minimum: Forward value and non-value item origination fees, and FedGlobal ACH origination surcharges.

⁴² Any RDFI not originating forward value and non-value items and incurring less than \$40 in receipt fees will be charged a variable amount to reach the minimum. Any RDFI that originates forward value and non-value items incurring less than \$50 in forward value and nonvalue item origination fees will only be charged a variable amount to reach the minimum monthly origination fee.

⁴³ This surcharge is assessed on all forward items that qualify for same-day processing and settlement and is incremental to the standard origination item fee.

⁴⁴ The fee includes the item and addenda fees in addition to the conversion fee.

⁴⁵ The fee includes the item and addenda fees in addition to the conversion fee. Reserve Banks also assess a \$45 fee for every government paper return/ NOC they process.

⁴⁶ Origination volumes at these levels qualify for a waterfall discount that includes all FedACH origination items.

⁴⁷ Origination discounts based on monthly billed receipt volume apply only to those items received by FedACH receiving points and are available only to Premium Receivers.

⁴⁸ RDFIs receiving through FedACH less than 90 percent of their FedACH-originated items.

⁴⁹ This per-item discount is a reduction to the standard receipt fees listed in this fee schedule.

⁵⁰ Receipt volumes at these levels qualify for a waterfall discount that includes all FedACH receipt items.

⁵¹ RDFIs receiving through FedACH at least 90 percent of their FedACH-originated items, but less than 90 percent of all of their ACH items originated through any operator.

⁵² This per-item discount is a reduction to the standard receipt fees listed in this fee schedule.

⁵³ Receipt volumes at these levels qualify for a waterfall discount which includes all FedACH receipt items.

⁵⁴ RDFIs receiving through FedACH at least 90 percent of all of their ACH items originated through any operator.

⁵⁵ This per-item discount is a reduction to the standard receipt fees listed in this fee schedule.

⁵⁶ Receipt volumes at these levels qualify for a waterfall discount which includes all FedACH receipt items.

⁵⁷ Criteria may be set for both the Origination Monitoring Service and the RDFI Alert Service. Subscribers with no criteria set up will be assessed the \$45 monthly package fee.

⁵⁸ Monthly commercial receipt volume is calculated based on combined volume of subscribed RTNs in an account family.

⁵⁹ Premier reports generated on demand are subject to the package/tiered fees plus a surcharge.

⁶⁰ Premier reports generated on demand are subject to the package/tiered fees plus a surcharge.

⁶¹ The fee applies to RTNs that have received or originated FedACH transactions during a month. Institutions that receive only U.S. government transactions or that elect to use a private-sector operator exclusively are not assessed the fee.

⁶² This surcharge is assessed to any RTN that originates at least one item meeting the criteria for same-day processing and settlement in a given month.

⁶³ The fee is applied to any RTN with activity during a month, including RTNs of institutions that elect to use a private-sector operator exclusively but also have items routed to or from customers that access the ACH network through FedACH. This fee

does not apply to RTNs that use the Reserve Banks for only U.S. government transactions.

⁶⁴ Fee will be assessed only when automated NOCs are generated.

⁶⁵ Limited services are offered in contingency situations.

⁶⁶ The fees and credits listed are collected from the ODFI and credited to Nacha (admin network) or to the RDFI (same-day entry and unauthorized entry) in accordance with the ACH Rules.

⁶⁷ Nacha's monthly network administration fee for 2023 was misstated in the **FEDERAL REGISTER** Notice published on November 3, 2022. As announced by Nacha on September 22, 2022, effective January 1, 2023, Nacha is increasing the monthly network administration fee that the Federal Reserve collects on its behalf to \$28.67/RTN/month (\$344/RTN/year), as correctly stated on this fee schedule.

⁶⁸ The international fees and surcharges vary from country to country as these are negotiated with each international gateway operator.

⁶⁹ A single monthly fee based on total FedGlobal ACH Payments origination volume.

⁷⁰ This per-item surcharge is in addition to the standard domestic origination fees listed in this fee schedule.

⁷¹ This per-item surcharge is in addition to the standard domestic receipt fees listed in this fee schedule.

⁷² U.S. ODFIs are responsible for any investigation fees should they be assessed by foreign RDFIs or downstream payment participants.

⁷³ The monthly fee is rolled up to the parent DI level, such that a DI that opts into the FedACH Exception Resolution Service under two separate RTNs would pay a single monthly fee based on the total number of cases opened for their two RTNs combined.

⁷⁴ A financial institution may enroll in the Service as an Offline Service Participant by designating the Reserve Bank to access and use the functionality of the application on behalf of the Offline Participant.

⁷⁵ Federal Reserve Financial Services offers a five-year discount program to financial institutions that receive at least 5 million items per month through FedACH and meet the qualifications for Premium Receiver Level One or Level Two status.

⁷⁶ The incentive discounts apply to the volume that exceeds 60 percent of a customer's historic benchmark volume. Historic benchmark volume is based on a customer's average daily activity over the previous five calendar years. If a customer has fewer than five full calendar years of previous activity, its historic benchmark volume is based on its daily activity for as many full calendar years of data as are available. If a customer has less than one year of past activity, then the customer qualifies automatically for incentive discounts for the year. The applicable incentive discounts are as follows: \$0.752 for transfers up to 14,000; \$0.232 for transfers 14,001 to 90,000; and \$0.152 for transfers over 90,000.

⁷⁷ This surcharge applies to originators of transfers that are processed by the Reserve Banks after 5:00 p.m. ET.

⁷⁸ This fee is charged to any Fedwire Funds participant that originates a transfer message via the FedPayments Manager Funds tool and has the import/export processing option setting active at any point during the month.

⁷⁹ Payment Notification and End-of-Day Origination surcharges apply to each Fedwire funds transfer message.

⁸⁰ Provided on billing statement for informational purposes only.

⁸¹ This charge is assessed to settlement arrangements that use the Fedwire® Funds Service to affect the settlement of interbank obligations (as opposed to those that use the National Settlement

Service). With respect to such special settlement arrangements, other charges may be assessed for each funds transfer into or out of the accounts used in connection with such arrangements.

⁸² An organization that is a settlement agent may be able to use the National Settlement Service offline service if it is experiencing an operational event that prevents the transmission of settlement files via its electronic connection to the Federal Reserve Banks. The Federal Reserve Banks have limited capacity to process offline settlement files. As a result, while the Federal Reserve Banks use best efforts to process offline settlement file submissions, there is no guarantee that an offline settlement file, in particular one that is submitted late in the operating day or that contains a large number of entries, will be accepted for processing. Only those persons identified as authorized individuals on the National Settlement Service 04 Agent Contact Form may submit offline settlement files. For questions related to the National Settlement Service offline service, please contact National Settlement Service Central Support Service Staff (CSSS) at 800-758-9403, or via email at csss.staff@ny.frb.org.

⁸³ Any settlement arrangement that accrues less than \$60 during a calendar month will be assessed a variable amount to reach the minimum monthly fee.

⁸⁴ Restricted Securities Accounts maintained by the Reserve Banks under the Loans and Discounts program and the 31 CFR part 202 program are not assessed for monthly account maintenance fees or fees for Transfers of Book-Entry Securities to or from such Restricted Securities Accounts. Restricted Securities Accounts maintained by the Reserve Banks under the 31 CFR part 225 program are subject to monthly account maintenance fees but not fees for Transfers of Book-Entry Securities to or from such Restricted Securities Accounts.

⁸⁵ These fees are set by the Federal Reserve Banks.

⁸⁶ This surcharge is set by the Federal Reserve Banks. It is in addition to any basic transfer or reversal fee.

⁸⁷ Restricted Securities Accounts maintained by the Reserve Banks under the Loans and Discounts program and the 31 CFR part 202 program are not assessed for monthly account maintenance fees or fees for Transfers of Book-Entry Securities to or from such Restricted Securities Accounts. Restricted Securities Accounts maintained by the Reserve Banks under the 31 CFR part 225 program are subject to monthly account maintenance fees but not fees for Transfers of Book-Entry Securities to or from such Restricted Securities Accounts.

⁸⁸ These fees are set by the Federal Reserve Banks.

⁸⁹ These fees are set by the Federal Reserve Banks.

⁹⁰ The U.S. Department of the Treasury absorbs the cost of monthly account maintenance for securities accounts that contain only Treasury securities and reimburses the Federal Reserve Banks.

⁹¹ The U.S. Department of the Treasury absorbs the cost of monthly issue maintenance for custody holdings of Treasury securities and reimburses the Federal Reserve Banks.

⁹² These fees are set by the Federal Reserve Banks.

⁹³ Automated Claim Adjustment Process (ACAP) fees apply to all ACAP-eligible security types. Phase 2 of the ACAP enhancement project will include expanding ACAP tracking to all coupon-paying securities issued over the Fedwire Securities Service and adding securities lending as a transaction type. For information about the ACAP enhancement project, please visit: <https://www.frb-services.org/resources/financial-services/securities/acap>.

⁹⁴ Participants are charged the Repo Position Maintenance Fee for both a Repo-Out balance and a Repo-In balance. These fees will be assessed every business day.

By order of the Board of Governors of the Federal Reserve System.

Ann E. Misback,

Secretary of the Board.

[FR Doc. 2023-25925 Filed 11-22-23; 8:45 am]

BILLING CODE 6210-01-P

⁹⁵ Participants are charged the Securities Lending Position Maintenance Fee for both a Securities Borrowed balance and a Securities Lent balance. These fees will be assessed every business day. Securities lending positions will be available when Phase 2 of the ACAP enhancement project is implemented. For information about the ACAP enhancement project, please visit: <https://www.frb-services.org/resources/financial-services/securities/acap/>.

⁹⁶ This fee is set by and remitted to the Government National Mortgage Association (GNMA).

⁹⁷ The Federal Reserve Banks charge participants a Joint Custody Origination Surcharge for both Agency and Treasury securities.

⁹⁸ These fees are set by the Federal Reserve Banks.

⁹⁹ These fees are set by the Federal Reserve Banks.

¹⁰⁰ FedComplete packages are all-electronic service options that bundle payment services with an access solution for one monthly fee.

¹⁰¹ FedComplete customers that use the email service would be charged the FedMail Email a la carte fee and for all FedMail-FedLine Exchange Subscriber 5-packs.

¹⁰² Packages with an "A" include the FedLine Advantage channel.

¹⁰³ Per-item surcharges are in addition to the standard fees listed in the applicable priced services fee schedules.

¹⁰⁴ FedComplete customers will be charged \$4 for each FedForward cash letter over the monthly package threshold. This activity will appear under billing code 51998 in Service Area 1521 on a month-lagged basis.

¹⁰⁵ FedMail and FedLine Exchange packages do not include user credentials, which are required to access priced services and certain informational services. Credentials are sold separately in packs of five via the FedMail-FedLine Exchange Subscriber 5-pack.

¹⁰⁶ FedLine Web and Advantage packages do not include user credentials, which are required to access priced services and certain informational services. Credentials are sold separately in packs of five via the FedLine Subscriber 5-pack.

¹⁰⁷ FedLine Solutions package fees associated with establishing a new connection or upgrading a current connection to FedLine Advantage[®] for the FedNow[®] Service will be credited up to twelve months.

¹⁰⁸ Early termination fees and/or expedited order fees may apply to all FedLine Direct packages and FedLine Direct à la carte options.

¹⁰⁹ These add-on services can be purchased only with a FedLine Solution.

¹¹⁰ Additional VPNs are available for FedLine Advantage, FedLine Command, and FedLine Direct packages only. All customers will need to replace their existing VPN device with the new VPN device. Effective October 1, 2023, customers who have not started migration will be assessed a \$400 monthly fee under billing code 22411 until migration is complete.

¹¹¹ Fee is in addition to the FedLine Direct package fees or Additional 2Mbps WAN Connection fee.

¹¹² The FedLine Custom Implementation Fee is \$2,500 or \$5,000 based on the complexity of the setup.

¹¹³ Available only to customers with a priced FedLine package.

¹¹⁴ Five download codes are included at no cost in all Plus and Premier packages.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS-1817-NC]

Medicare and Medicaid Programs; Announcement of Application From a Hospital Requesting Waiver for Organ Procurement Service Area

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Notice with request for comment.

SUMMARY: This notice acknowledges the receipt of an application from a hospital that has requested a waiver of statutory requirements that would otherwise require the hospital to enter into an agreement with its designated organ procurement organization (OPO). This notice requests comments from OPOs and the general public for our consideration in determining whether we should grant the requested waiver.

DATES: *Comment date:* To be assured consideration, comments must be received at one of the addresses provided below, by January 23, 2024.

ADDRESSES: In commenting, refer to file code CMS-1817-NC.

Comments, including mass comment submissions, must be submitted in one of the following three ways (please choose only one of the ways listed):

1. *Electronically.* You may submit electronic comments on this regulation to <https://www.regulations.gov>. Follow the "Submit a comment" instructions.

2. *By regular mail.* You may mail written comments to the following address ONLY: Centers for Medicare & Medicaid Services, Department of Health and Human Services, Attention: CMS-1817-NC, P.O. Box 8010, Baltimore, MD 21244-8010.

Please allow sufficient time for mailed comments to be received before the close of the comment period.

3. *By express or overnight mail.* You may send written comments to the

¹¹⁵ Available for FedLine Web Plus, FedLine Web Premier, FedLine Advantage Plus, and FedLine Advantage Premier packages. It is also available for no extra fee in FedLine Command Plus and Direct packages.

¹¹⁶ The End of Day Financial Institution Reconciliation Data (FIRD) and Statement of Account Spreadsheet File (SASF) are available for Master accounts only.

¹¹⁷ Available with FedLine[®] Plus and Premier packages.

¹¹⁸ Available for FedLine Web Plus and Premier packages. Available for no extra fee in FedLine Advantage and higher packages.

¹¹⁹ Charging the \$10 Replacement Copy Fee is at the discretion of Reserve Banks.

following address ONLY: Centers for Medicare & Medicaid Services, Department of Health and Human Services, Attention: CMS-1817-NC, Mail Stop C4-26-05, 7500 Security Boulevard, Baltimore, MD 21244-1850.

For information on viewing public comments, see the beginning of the **SUPPLEMENTARY INFORMATION** section.

FOR FURTHER INFORMATION CONTACT: Randy Thronset, (410) 786-0131.

SUPPLEMENTARY INFORMATION: *Inspection of Public Comments:* All comments received before the close of the comment period are available for viewing by the public, including any personally identifiable or confidential business information that is included in a comment. We post all comments received before the close of the comment period on the following website as soon as possible after they have been received: <https://www.regulations.gov>. Follow the search instructions on that website to view public comments. CMS will not post on *Regulations.gov* public comments that make threats to individuals or institutions or suggest that the individual will take actions to harm the individual. CMS continues to encourage individuals not to submit duplicative comments. We will post acceptable comments from multiple unique commenters even if the content is identical or nearly identical to other comments.

I. Background

Organ Procurement Organizations (OPOs) are not-for-profit organizations that are responsible for the procurement, preservation, and transport of organs to transplant centers throughout the country. Qualified OPOs are designated by the Centers for Medicare & Medicaid Services (CMS) to recover or procure organs in CMS-defined exclusive geographic service areas, pursuant to section 371(b)(1) of the Public Health Service Act (42 U.S.C. 273(b)(1)) and our regulations at 42 CFR 486.306. Once an OPO has been designated for an area, hospitals in that area that participate in Medicare and Medicaid are required to work with that OPO in providing organs for transplant, pursuant to section 1138(a)(1)(C) of the Social Security Act (the Act) and our regulations at 42 CFR 482.45.

Section 1138(a)(1)(A)(iii) of the Act provides that a hospital must establish protocols, which require the hospital to notify the designated OPO (for the service area in which it is located) of potential organ donors. Under section 1138(a)(1)(C) of the Act, every hospital must have an agreement only with its