March 6, 2018

Administrator Brandon Lipps
United States Department of Agriculture
Food and Nutrition Service
3101 Park Center Drive
Alexandria, VA  22302

Dear Administrator Lipps:

I am writing on behalf of the eGovernment Payments Council (eGPC) of the Electronic Funds Transfer Association (EFTA) to voice our opposition to the proposal in the President’s 2019 Budget to convert a portion of current Supplemental Nutrition Assistance Program benefits to a box of food called America’s Harvest Box.

The eGPC is an industry Council within EFTA that focuses on the business, policy and operating issues involved in government electronic payment programs. The Council consists of payment processors, retailers, financial institutions, technology companies, federal and state government representatives, non-profit stakeholders and industry consultants. Please note that as per Association practice, our federal and state government members did not weigh in on this matter. Council members have been at the center of the development, implementation, operation and improvement of electronic benefit transfer technology for SNAP since its inception. The eGPC is unique in that it brings together all major voices that are involved with the delivery of benefits. It is from this perspective that we are concerned by the Harvest Box proposal.

The implementation of EBT in SNAP was done thoughtfully, deliberately and carefully, incorporating the subject matter expertise of all stakeholders. The introduction and adoption of this technology revolutionized the delivery of nutrition assistance benefits to millions of people. This was accomplished by adhering to the basic principles of the Food Stamp Program and utilizing the expertise of the private sector. It also involved leveraging the commercial payments and retailer infrastructure to continue serving those in the United States receiving nutrition assistance. Reliance on the private sector, specifically the payments industry and the country’s food distribution and retail food sector, has been a foundational part of EBT since its inception. Dramatically restructuring this partnership that has worked well, reduced fraud, and streamlined the delivery of benefits, could seriously undermine the ability of the Program to achieve its mission and lose the efficiencies and savings gained when the country moved from paper coupons to EBT.

The United States enjoys the world’s most sophisticated system for the distribution of food. It reaches into every community in the country. It delivers basic, staple foods along with fresh, nutritious foods in an efficient, cost effective manner. As a community, we have worked to create an electronic delivery system for providing people in need with the assistance they require. Currently the evolving payments industry is transforming in ways unimagined just a few short years ago. We are seeing the dramatic growth of new technologies such as mobile payments and real-time budgeting tools. Likewise, the retail food industry is undergoing its own disruption. On-line purchasing with pick up or delivery of food is but one of the myriad advances we are seeing. Congress has recognized these changes, authorizing the testing of how best to bring new technology to SNAP. We urge both USDA and Congress to continue down this path.

EFTA and its eGPC are proud of the role we have played in transforming the delivery of benefits to the nation’s poor. We have accomplished this by what I believe to be the strongest example of a successful public-private partnership. We continue working to ensure that new payments technologies and delivery
mechanisms can be utilized to provide nutritious food for those in need in a safe, secure and responsible way.

While we appreciate efforts to find creative ways to provide food access, our collective experience tells us that moving away from the existing payments and distribution infrastructure, combined with the cost, delivery and logistical challenges of the Harvest Box proposal will be too great to overcome. As we have since the concept of EBT was first considered, the Council looks forward to working with USDA and Congress to ensure the long-term success of the program.

Please feel free to contact me if you wish to discuss this matter.

Regards,

Kurt Helwig
President & CEO, EFTA

Copy: Secretary Sonny Perdue
The Honorable K. Michael Conaway
The Honorable Collin C. Peterson
Senator Pat Roberts
Senator Debbie Stabenow
The Honorable Rodney P. Frelinghuysen
The Honorable Nita M. Lowey
Senator Thad Cochran
Senator Patrick Leahy