

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 81-223
November 24, 1981

PRICING SCHEDULE FOR CASH TRANSPORTATION

TO ALL FINANCIAL INSTITUTIONS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

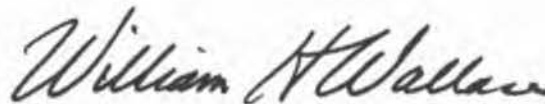
The Board of Governors of the Federal Reserve System has approved the proposed 1982 fee schedule for Federal Reserve cash transportation services and proposed access policy to nonpriced Federal Reserve cash processing services. The implementation date will be January 28, 1982.

Printed on the following pages is a summary of the adopted cash transportation prices for the Eleventh District and a listing of cities, classified by type of endpoint, for determining currency and coin shipping costs. Enclosed are copies of the text of the press release and Federal Register document regarding the cash transportation fee schedules and policy for access to cash processing services.

Questions regarding these matters may be directed to Donald L. Jackson, Head Office, (214) 651-6445; William L. Wilson, El Paso Branch, (915) 544-4730, Ext. 202; C.O. Holt, Houston Branch, (713) 659-4433, Ext. 44; or Thomas C. Cole, San Antonio Branch, (512) 224-2141, Ext. 401.

Additional copies of this circular and enclosure will be furnished upon request to the Department of Communications, Financial and Community Affairs of this Bank, Ext. 6289.

Sincerely yours,



William H. Wallace
First Vice President

Enclosure

Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-442-7140 (intrastate) and 1-800-527-9200 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

**ELEVENTH DISTRICT
1982 PRICE SCHEDULE
CURRENCY AND COIN TRANSPORTATION SERVICE**

VIA ARMORED CARRIER

City, Suburban and New Mexico

Over-The-Road

Per Stop Charge: 1/

Per Stop Charge: 2/

Federal Reserve Office	1	2	Zone		
			3	4	5
Dallas	\$ 8	26			
Houston	\$16				
El Paso	\$ 6	69	72	73	63
San Antonio	\$ 6				

Liability Charge:
None

Liability Charge:
\$0.24 per \$1000 of value carried
each way

Bag Charge:
\$0.50 per bag of coin and currency^{3/}

Bag Charge:
\$0.28 per bag of coin

VIA REGISTERED MAIL^{4/}

Actual cost of postage and insurance, up to a maximum charge of \$37.50 per shipment, one way either to or from a Federal Reserve Office.

1/For a single incidence of city and suburban armored carrier service, the total charge will be the sum of the per stop charge and bag charge. The minimum total charge will be \$10 per incidence.

2/The proposed maximum 1982 per stop charge is \$75, nationwide. For over-the-road (tariff) armored carrier service, this \$75 ceiling applies to the per stop charge plus the liability charge. The bag charge is a separate charge, exclusive of the \$75 maximum. The \$75 ceiling will not apply to City, Suburban and New Mexico service. The \$75 ceiling will be in effect for no longer than two years (1982 and 1983).

3/The bag charge for currency will be assessed on the actual number of bags shipped, with no bag to contain more than 20,000 notes.

4/Due to postal limitations a maximum of \$100,000 is all that can be delivered on a single postal route regardless of the number of financial institutions receiving currency on that route.

**CITIES WITHIN THE ELEVENTH FEDERAL RESERVE DISTRICT
SEPARATED BY ZONE FOR CURRENCY AND COIN SHIPPING SERVICE**

DALLAS - ZONE 1

Financial institutions within the city of Dallas.

DALLAS - ZONE 2

Financial institutions located in the following Texas cities:

Addison	Cedar Hill	Fort Worth	Lewisville
Aledo	Colleyville	Garland	Mansfield
Arlington	Coppell	Grand Prairie	Mesquite
Azle	Crowley	Grapevine	North Richland Hills
Balch Springs	D/FW Airport	Haltom City	Plano
Bedford	De Soto	Highland Park	Richardson
Benbrook	Duncanville	Hurst	Rowlett
Burleson	Eules	Hutchins	Saginaw
Carrollton	Everman	Irving	Seagoville
	Farmers Branch	Lancaster	University Park

DALLAS - OVER-THE-ROAD

All financial institutions within the Dallas Office territory and not included in the above zones.

HOUSTON - ZONE 1

Financial institutions located in the following Texas cities:

Aldine	Friendswood	La Porte	Seabrook
Alief	Galena Park	League City	South Houston
Bayport	Highlands	Missouri City	Sugar Land
Baytown	Houston	NASA	Webster
Bellaire	Humble	Pasadena	West University Place
Deer Park	Jacinto City	Pearland	

HOUSTON - OVER-THE-ROAD

All financial institutions within the Houston Office territory and not included in the above zone.

**CITIES WITHIN THE ELEVENTH FEDERAL RESERVE DISTRICT
SEPARATED BY ZONE FOR CURRENCY AND COIN SHIPPING SERVICE**

EL PASO - ZONE 1

Financial institutions located within the city of El Paso.

EL PASO - ZONE 2

Financial institutions located in the following New Mexico cities:

Artesia	Hobbs	Roswell	Ruidoso
Carlsbad	Lovington		

EL PASO - ZONE 3

Financial institutions located in the following New Mexico cities:

Alamogordo	Clovis	Portales	Tucumcari
Cannon A.F.B.	Melrose	Santa Rosa	

EL PASO - ZONE 4

Financial institutions located in the following New Mexico cities:

Anthony	Hatch	Lordsburg	Silver City
Bayard	Las Cruces	Playas	Truth or Consequences
Deming			

EL PASO - ZONE 5

Financial institutions located at the White Sands Missile Range, New Mexico.

EL PASO - OVER-THE-ROAD

All financial institutions within the El Paso Office territory and not included in the above zones or in New Mexico.

SAN ANTONIO - ZONE 1

Financial institutions located in the following cities, towns, and military establishments:

Alamo Heights	East Kelly A.F.B.	Kirby	San Antonio
Balcones Heights	Ft. Sam Houston	Lackland A.F.B.	Shavano Park
Brooks A.F.B.	Hill Co. Estates	Leon Valley	Terrell Hills
Castle Hills	Hollywood Park	Live Oak	Windcrest
China Grove	Kelly A.F.B.	Olmos Park	

SAN ANTONIO - OVER-THE-ROAD

All financial institutions within the San Antonio Office territory and not included in the above zone.

FEDERAL RESERVE press release



For immediate release

November 2, 1981

The Federal Reserve Board today adopted fee schedules for its transportation services in supplying currency and coin to the nation's banks and thrift institutions. The Board also adopted a policy for access to cash processing services.

The Board acted under the Monetary Control Act of 1980, which requires pricing of Federal Reserve services, and after consideration of comment received on a proposal published in August 1980.

The schedules of fees for specific services are set forth in the attached tables. The fees become effective January 28, 1982.

The fee schedules apply a mark-up of 16 percent, as a Private Sector Adjustment Factor (PSAF), to the System's administrative costs in providing coin and currency transportation services.

Transportation services

The revised fee schedule for armored car carrier service consists of a volume charge (a fee per delivery or deposit of a bag of currency or coin) and a charge per stop. The per stop charges appear in the fee schedule by zone.

The Board established a \$75 ceiling on the per stop charge for 1982, and plans to review the need to continue the ceiling in 1983 during the latter part of 1982. It is intended that Reserve Banks together with depository institutions they serve strive to reduce costs of services to remote points. Federal Reserve Banks will supply information on what delivery points are included in a zone.

Registered mail service

Fees for shipment of currency and coin by mail include the cost of postage, registered mail fees and full insurance. There is no volume charge since

fees reflect actual mail service. The Board adopted a ceiling of \$37.50 for one-way mail service for 1982. The use of registered mail is intended to be limited to those endpoints where armored carrier service is unavailable. Reserve Banks will make determinations whether to use registered mail on a case-by-case basis.

Access policy

The Board regards currency and coin processing (paying, receiving, and verifying coin and currency, and issuing, sorting, cancelling, and destroying currency) as governmental activities, and processing is, therefore, not priced. As for access to these processing services, the Board adopted an access policy providing that by the end of 1983 all Federal Reserve offices will offer access, at a minimum, to all depository institutions seeking direct processing services on the following basis:

- One office per institution, or
- One office of a depository institution per municipality (subject to adjustment for special circumstances).

The Board's notice in this matter is attached.

Attachment

FEDERAL RESERVE SYSTEM

(DOCKET NO. R-0324)

FEE SCHEDULES FOR FEDERAL RESERVE BANK SERVICES

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Fee Schedules for Coin and Currency Transportation and policy for access to Federal Reserve cash processing services.

SUMMARY: The Monetary Control Act of 1980 (Title I of Public Law 96-221) requires that a schedule of fees be established for Federal Reserve Bank services. The Board has previously adopted a set of pricing principles for Federal Reserve Bank services and has established implementation dates on which fee schedules for each of the services will become effective. The Board has now adopted coin and currency transportation fee schedules and a policy for access to cash processing services.

EFFECTIVE DATE: January 28, 1982.

FOR FURTHER INFORMATION CONTACT: Lorin S. Meeder, Associate Director for Federal Reserve Bank Operations (202/452-2738); Merphil S. Kondo, Senior Economist (202/452-3875); Earl G. Hamilton, Manager, Service Pricing (202/452-3879); Steven O. App, Manager, Cash Services, (202/452-2705), Gilbert T. Schwartz, Associate General Counsel (202/452-3625); Daniel L. Rhoads, Attorney (202/452-3711).

SUPPLEMENTARY INFORMATION: The Monetary Control Act of 1980 requires that fee schedules be developed for Federal Reserve Bank services based on pricing principles established by the Board. The Act provides that the Board shall begin putting into effect a schedule of fees not later than September 1, 1981, and that services covered by the fee schedule are to be made available to all depository institutions. The Board, in accordance with the requirements of the Act, published for comment proposed pricing principles and fee schedules for services on August 28, 1980 (45 FR 58689). On December 30, 1980, after considering the comments received from the public, the Board took the following actions: adopted revised pricing principles; approved the fee schedules for several services, and established implementation dates on which fee schedules for each service will become effective. The Board has now adopted a policy for access to cash processing services and fee schedules for coin and currency transportation.

1982 Fee Schedule

The Monetary Control Act of 1980 requires that "[o]ver the long run fees shall be established on the basis of all direct and indirect costs actually incurred in providing the Federal Reserve services priced. . .

except that the pricing principles shall give due regard to competitive factors and the provision of an adequate level of such services nationwide." The Act also requires that fees for Federal Reserve services take into account "the taxes that would have been paid and the return on capital that would have been provided had the services been furnished by a private business firm." This markup is referred to as the private sector adjustment factor (PSAF).

The fees for armored carrier service are based on the estimated full 1982 costs of providing the service and existing usage patterns. A private sector adjustment factor of 16 percent has been applied to the administrative costs of cash transportation incurred by the Reserve Banks but not to payments to armored carriers, since the cost of capital and taxes is already included in the System's payments to private carriers.

As in the July 1981 proposal, the revised fee schedule for armored carrier service has two elements: a volume (per bag) charge and a per stop charge.^{1/} In the adopted fee schedule, the volume charge is \$0.50 nationwide per bag of currency or coin for both deliveries and deposits. The uniform bag charge simplifies the fee schedule and provides for more appropriate allocation of costs between high volume and low volume endpoints.

The schedule of stop charges shows fees by zones serviced by each Federal Reserve office. These zones include city and suburban endpoints, and are similar to the numbered zones published in July 1981. The zone identifications reflect Reserve Bank groupings of endpoints that have a common per stop charge, and are intended to improve the allocation of costs among endpoints. Disparities among fees for endpoints located equidistant from a Federal Reserve office have not been eliminated completely. Since armored carrier service costs are not simply a function of distance, but also reflect the frequency of stops along a route and the extent of competition in the areas serviced, such disparities may be expected to continue.

A temporary fee ceiling of \$75 is adopted on the per-stop portion of the charge for 1982. The Board has determined that this ceiling is necessary in order to assure the provision of an adequate level of cash transportation nationwide. The ceiling is projected to result in costs exceeding revenues by approximately \$2.8 million (about 7.3 percent of 1982 armored carrier service costs), will remain for a period no longer than two years (1982 and 1983), and will be reviewed by the Board after one year and may be adjusted. By the end of the

^{1/} The fee structures for some routes in the Cleveland, St. Louis, and Dallas Districts include charges based on mileage or value. The fee structures reflect tariff rates in those areas.

two-year period, the System intends to recover all costs of armored carrier service within the 48 contiguous States. During the two-year interim, a variety of methods of reducing transportation costs to high-cost locations will be explored by the Reserve Banks.

The Federal Reserve Banks also accept and deliver coin and currency shipped by registered mail. This service is provided generally to depository institutions at remote locations without armored carrier service available. Because of operational considerations involved in transporting coin and currency by registered mail, the use of registered mail shipments will be limited to those endpoints where armored carrier service is unavailable or other special circumstances prevail. Reserve Banks will make determinations on the use of registered mail on a case by case basis. For endpoints served by registered mail, charges will be based on actual Reserve Bank expenses insured for postage and full insurance. Consistent with the 1982 ceiling on per stop charges for currency and coin transportation service by means of armored carrier, a ceiling of \$37.50 per shipment has been established on the 1982 charge for one-way delivery either to or from a Reserve Bank. The need and appropriateness of continuing the ceiling on registered mail charges in 1983 will be evaluated at the end of 1982.

The Board has also established separate fees for certain unique situations that arise in the cash transportation service. These specialized services and the corresponding fee structure are as follows:

- no fees will be imposed for cost-justified direct shipments to depository institutions from the United States Mint or from the Bureau of Engraving and Printing.
- separate fees not subject to the temporary \$75 per stop charge ceiling may be established by Reserve Banks for special situations arising with service to large volume endpoints, so long as the fees cover costs of such service.
- a \$75 ceiling for cash transportation service to institutions in the noncontiguous United States (Alaska, Hawaii) or its territories (Guam and Puerto Rico), consistent with the \$75 per stop charge ceiling for armored carrier service in the continental United States, and
- negotiated fees for high volume customers for delivery of trunks or boxes of currency and palletized coin and for special packaging of currency for high speed processing and, where cost justified, encouragement of currency and coin exchanges among depository institutions by absorbing transportation costs.

Two Reserve Banks will offer a coin wrapping service and are developing schedules for the services effective January 28, 1982. The fees for this service will be based on the 1982 costs of Reserve Banks

in providing the services. Not all Reserve Banks will be offering a coin wrapping service; those Banks offering the service will announce the fee schedule to institutions in their districts when fee schedules have been adopted.

Access Policy

In connection with the fee schedule for cash transportation services, the Board has adopted a policy regarding access to the Federal Reserve's coin and currency processing services. Under the policy, by the end of 1983, all Federal Reserve offices will offer access to, at minimum,

- one office per depository institution if that suits the structure in the territory served; or
- one office of a depository institution per municipality, subject to adjustment where special circumstances (such as the size of the municipality) require a modified policy.

The policy provides, after a transition period, for uniform, access nationwide to every depository institution that seeks coin and currency directly from the Federal Reserve. This standard for access to Federal Reserve cash processing service applies to all depository institutions independent of the method of delivery--via Federal Reserve armored carrier, via registered mail or at the Federal Reserve dock.

The Federal Reserve intends to offer access to cash services on the same terms (such as frequency, quality and operating requirements) to both existing and prospective customers. The System does not anticipate any difficulties in providing uniform access to registered mail service and to Federal Reserve docks for pickups and deliveries of cash by depository institutions that arrange their own transportation. Depository institutions may pick up and deliver currency and coin without charge at Federal Reserve docks, since the provision of coin and currency itself is regarded as a governmental function. However, Reserve Banks may impose reasonable restrictions on scheduling of pickups and deliveries at the docks to facilitate nondiscriminatory access to Federal Reserve cash processing services.

Because the contractual arrangements between the Federal Reserve and armored carrier firms restrict the latitude for immediate accommodation by the System to changes in requests for armored carrier service, and in view of the short-term constraints of dock capacity and processing equipment, the access policy provides for an interim adjustment period. On the effective date of cash transportation pricing, January 28, 1982, Reserve Banks will extend access to existing levels of cash service to new customers to the extent feasible. Due to the uncertainties surrounding the response of armored carrier firms and depository institutions to cash transportation pricing, Reserve Banks

will continue to impose reasonable limitations on all users regarding the frequency of service,^{2/} the number of offices served and the size of orders/deposits. The purpose of such limitations is to achieve an orderly transition to uniform direct access to coin and currency for both the private sector and the Reserve Banks. During the transition period, Federal Reserve offices may reduce access to service to existing customers as service to new customers is accommodated. Reserve Banks may also ask depository institutions to enter into agreements for regularly scheduled armored carrier service over a period of time, with advance notice for termination of the agreement.

The access policy permits a Federal Reserve office to serve additional offices of depository institutions where feasible, but only if greater access to cash processing service is offered on a nondiscriminatory basis to all depository institutions via all delivery methods. At the same time, the access policy recognizes the geographic and structural differences among territories served such as terrain, size of political jurisdictions and extent of branching.

The 1982 fee schedules for cash transportation are shown in the Appendix. Detailed information on the endpoints contained within each zone will be made available by the Federal Reserve Banks.

By order of the Board of Governors of the Federal Reserve System, October 30, 1981.

(signed) William W. Wiles

William W. Wiles
Secretary of the Board

[SEAL]

^{2/} Generally, armored carrier service can be arranged on a weekly or alternate week basis.

APPENDIX I
FEE SCHEDULE
ARMORED CARRIER CASH TRANSPORTATION SERVICE
Effective January, 1982

VOLUME CHARGE: \$0.50 per bag for each bag of coin and currency. The fee will be assessed for both deliveries and deposits of cash.

PER STOP CHARGE: Shown below.

TOTAL CHARGE: For a single incidence of armored carrier service, the total charge will be the sum of the volume charge and per stop charge. The minimum total charge will be \$10 per incidence for endpoints covered by the stop/volume charge structure.

NOTE: There are exceptions to the \$0.50 per bag charge in the Dallas District, and at the Pittsburgh and Nashville offices, where tariff rates apply.

CONTACT YOUR FEDERAL RESERVE OFFICE FOR INFORMATION ABOUT THE INSTITUTIONS SERVED WITHIN EACH ZONE.

FEDERAL RESERVE OFFICE	ARMORED CARRIER PER STOP CHARGE in dollars					FEDERAL RESERVE OFFICE	ARMORED CARRIER PER STOP CHARGE in dollars				
BOSTON						CHARLOTTE					
ZONES 1-5	29	40	62	90*	53	ZONES 1-4	14	34	40	48	
ZONE 6	107*										
NEW YORK						BALTIMORE					
ZONES 1-5	35	34	33	42	42	ZONES 1-5	1	27	47	25	28
ZONES 6-10	17	30	53	37	30	ZONES 6-7	80*	118*			
ZONES 11-14	35	43	28	32							
BUFFALO						ATLANTA					
ZONES 1-5	33	35	36	38	40	ZONES 1-4	**	34	41	47	
ZONE 6	30										
PHILADELPHIA						NEW ORLEANS					
ZONES 1-5	**	18	22	**	25	ZONES 1-5	19	49	56	63	67
ZONES 6-10	29	33	30	44	43						
ZONES 11-13	51	69	136*			NASHVILLE					
						ZONES 1-3	**	25	30		
CLEVELAND						BIRMINGHAM					
ZONES 1-5	29	15	40	40	37	ZONES 1-2	12	30			
ZONES 6-7	46	41									
CINCINNATI						JACKSONVILLE					
ZONES 1-5	64	24	31	25	61	ZONES 1-3	24	34	53		
ZONES 6-10	84*	56	47	65	37						
PITTSBURGH						MIAMI					
ZONES 1-5	16	19	27	18	42	ZONES 1-4	16	30	40	50	
ZONES 6-10	21	61	19	24	19						
PITTSBURGH COMMON CARRIER						CHICAGO					
ZONES 1-5	28	31	29	32	36	ZONES 1-5	**	**	29	56	93*
ZONES 6-10	21	16	43	20	21	ZONES 6-9	129*	165*	201*	238*	
ZONES 11-13	18	22	48								
RICHMOND						DETROIT					
ZONES 1-5	22	22	22	41	54	ZONES 1-5	**	23	45	74	103*
						ZONES 6-7	132*	161*			

FEDERAL RESERVE OFFICE	ARMORED CARRIER PER STOP CHARGE in dollars					FEDERAL RESERVE OFFICE	ARMORED CARRIER PER STOP CHARGE in dollars				
ST. LOUIS	Special tariff rates apply. Contact your Federal Reserve office for information.					DALLAS ^{1/}					
						ZONES 1-2	8	26			
LITTLE ROCK	Special tariff rates apply. Contact your Federal Reserve office for information.					HOUSTON ^{1/}					
						ZONE 1	16				
MEMPHIS	Special tariff rates apply. Contact your Federal Reserve office for information.					EL PASO ^{1/}					
						ZONES 1-5	6	69	72	73	63
LOUISVILLE						SAN ANTONIO ^{1/}					
ZONES 1-5	9	9	27	28	225*	ZONE 1	6				
MINNEAPOLIS						SAN FRANCISCO					
ZONES 1-5	14	17	23	29	35	ZONES 1-5	**	11	76*	24	14
ZONES 6-10	42	48	55	62	68	ZONES 6-10	9	11	9	23	16
ZONES 11-15	75	81*	87*	93*	100*	ZONE 11	12				
ZONE 16	107*					LOS ANGELES					
HELENA						ZONES 1-5	**	29	20	18	14
ZONES 1-5	10	0	18	40	55	ZONES 6-10	14	26	15	13	16
ZONES 6-10	71	88*	102*	117*	133*	ZONES 11-15	11	16	11	11	14
KANSAS CITY						ZONES 16-20	20	77*	138*	10	26
ZONES 1-5	17	7	66	78*	73	ZONE 21	24				
ZONES 6-7	60	50			SALT LAKE CITY						
DENVER						ZONES 1-5	**	20	8	13	47
ZONES 1-5	0	4	65	98*	64	ZONES 6-8	33	28	65		
ZONES 6-10	10	29	10	30	50	PORTLAND					
ZONES 11-15	65	25	40	50	60	ZONES 1-5	**	26	31	12	42
ZONES 16-20	30	45	60	60	91*	ZONES 6-8	40	10	48		
ZONES 21-24	30	60	77*	113*							
OKLAHOMA CITY						SEATTLE					
ZONES 1-5	1	10	6	24	9	ZONES 1-5	**	22	34	13	8
ZONES 6-10	10	23	39	47	65	ZONES 6-9	10	23	12	35	
ZONES 11-15	15	25	26	80*	64						
ZONES 16-18	50	86*	69								
OMAHA											
ZONES 1-5	6	28	47	34	46						
ZONES 6-8	34	41	42								

* The maximum 1982 per stop charge is \$75, nationwide. Thus, the per stop fee charged would be \$75 instead of the figure shown, which is based on full cost of service to endpoints in that zone.

** Specific fees will apply to each institution, and a single all-inclusive fee may be charged (instead of separate per stop and bag charges).

^{1/} In Texas, Oklahoma and Louisiana, armored carrier service subject to tariff rates is offered to over-the-road endpoints that are not included among the zones listed. Contact your local Federal Reserve office for more information.

FEE SCHEDULE
CASH TRANSPORTATION BY REGISTERED MAIL
Effective January 28, 1982

The fee for cash delivery to or from a Federal Reserve office via registered mail will be the actual cost of postage and insurance, up to a maximum. The maximum charge for registered mail delivery, one way either to or from a Federal Reserve office, will be \$37.50 per shipment.
