

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 83-97

August 19, 1983

HIGH SPEED CURRENCY SORTING EQUIPMENT

TO ALL DEPOSITORY INSTITUTIONS IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

The Federal Reserve System has announced the purchase of a new and improved type of currency quality sensor for installation in its automated high speed systems for the examination of used currency and destruction of currency unfit for further circulation. The attached press release from the Board of Governors provides information regarding the new sensor and a brief history of high speed automated processing equipment at Federal Reserve Banks.

Questions regarding automated high speed equipment should be directed to Charles A. Worley, (214) 698-4275 at the Head Office; Jerry A. Silvey, (915) 544-4730 at the El Paso Branch; Oscar A. Bryan, Jr., (713) 659-4433 at the Houston Branch; or Herb Barbee, (512) 224-2141 at the San Antonio Branch.

Additional copies of this circular will be furnished upon request to the Public Affairs Department, Extension 6289.

Sincerely yours,



William H. Wallace
First Vice President

FEDERAL RESERVE press release



For immediate release

August 11, 1983

The Federal Reserve System today announced the purchase of a new and improved type of currency quality sensor for installation in its automated high speed systems for examination of used currency and destruction of currency unfit for further circulation. The new sensor better discriminates between soiled notes and notes acceptable for recirculation, and will cause notes that contain certain defects and transparent tape to be destroyed. The new sensor will thus enable the Federal Reserve Banks to provide depository institutions with a more consistent quality of currency. This is of particular importance for the operation of automatic teller machines, benefitting both consumers and depository institutions.

Installation of the new fitness sensor will begin in early September 1983 and will be completed by February 1984. The purchase and installation of the new fitness sensor culminates a two year, approximately \$1 million research and development effort by the Federal Reserve System to develop an improved currency quality sensor.

To improve the efficiency of the examination of used currency, and quality control, the Reserve Banks have in recent years installed 111 high speed, automated currency processing systems at 35 locations throughout the country. The production capacity of the Bureau of Engraving and Printing has also been increased to support a higher level of replacement of worn-out notes. Since some nine billion notes are currently in circulation, it is expected that one to two years will be required for the Federal Reserve System to achieve fully the high standard of quality of notes in circulation that is the System's objective.
