



WILLIAM H. WALLACE
FIRST VICE PRESIDENT

FEDERAL RESERVE BANK
OF DALLAS

DALLAS, TEXAS 75222

March 19, 1985

Circular 85-32

TO: The Chief Executive Officer of all
depository institutions in the
Eleventh Federal Reserve District

SUBJECT

**Reminder to order new modem for dial-up access to the Federal Reserve
Bank of Dallas' RESPONSE network**

DETAILS

Several changes are going to take place this year for the dial-up portion of the RESPONSE network. At this time, the only action that financial institutions connected with the network must take is to order a new AT&T Information Systems modem. To order the new modem for your equipment, please contact AT&T representative Melissa Yoshioka at (817) 870-4497. Information on the new modem and ordering information are described under PHASE ONE in the attached Circular 85-16, dated January 28, 1985.

If your institution has not contacted the AT&T office in Fort Worth, please do so at your earliest convenience.

ATTACHMENTS

Attached is our Circular 85-16, dated January 28, 1985.

MORE INFORMATION

For more information on any of the new phases for the RESPONSE network, please contact the individuals listed at the end of each section in the attached circular.

Sincerely yours,

A handwritten signature in cursive script that reads "William H. Wallace".

For additional copies of any circular please contact the Public Affairs Department at (214) 651-6289. Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank (800) 442-7140 (intrastate) and (800) 527-9200 (interstate).



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OF DALLAS

WILLIAM H. WALLACE
FIRST VICE PRESIDENT

DALLAS, TEXAS 75222

January 28, 1985

Circular 85-16

TO: The Chief Executive Officer of all
depository institutions in the
Eleventh Federal Reserve District

SUBJECT

Modifications to the dial-up portion of the RESPONSE network

DETAILS

The Federal Reserve Bank of Dallas plans several modifications to the dial-up portion of the RESPONSE network to be initiated in 1985. These modifications are part of a nationwide Federal Reserve automation program and will be implemented in the four phases listed below. Benefits of the program to financial institutions include increased throughput by higher data communication transmission rates through better error recovery in data communications (increased reliability), increased functions through new applications software, and an increased level of data security through a new access control system and the implementation of data encryption.

Phase one of the program involves exchanging modems currently used on the system for ones offered through the AT&T Information System. Phase two consists of implementing a new access control system and during phase three, a higher level of security for the RESPONSE network will be implemented by adding an encryption adapter to all personal computers. Finally, phase four involves the introduction of new applications software for the network. A technical summary of all phases of the program is attached. The Federal Reserve Bank of Dallas will implement these modifications with the least possible amount of cost and operational impact to financial institutions.

ATTACHMENTS

Attached is the technical summary of modifications to dial-up portion of the RESPONSE network.

Sincerely yours,

A handwritten signature in cursive script that reads "William H. Wallace".

MODIFICATIONS TO THE DIAL-UP PORTION OF THE RESPONSE NETWORK

PHASE ONE

Definition: Financial institutions must replace 212A modems (or compatible) with an AT&T Information Systems (ATTIS) 2224-B00 or the 2224-BD0 (which includes an Autocall feature) modem.

The existing 212A modem is limited to 1,200 bits per second and is not compatible with the modifications planned in phases three and four. The new ATTIS 2224-B00 or 2224-BD0 modems operate in an asynchronous mode at 300, 1,200 and 2,400 bits per second, and in a synchronous mode at 1,200 and 2,400 bits per second. Either of these new modems are compatible with the current and future RESPONSE networks as well.

The Federal Reserve Bank has future plans to support the 2224-BD0 (Autocall feature) modem. This modem also could be used in an autocall mode with programs that financial institutions may use to access other networks. The 2224-BD0 is compatible with Federal Reserve Bank manual dial procedure. It should be noted that the purchase price for the 2224-BD0 Autocall modem is lower than the 2224-B00 modem. However, the lease fees are lower for the 2224-B00.

Schedule: Institutions should order the 2224-B00 or 2224-BD0 modem from AT&T Information Systems in February 1985. The modem can be installed as soon as ATTIS can provide it. The 212A will no longer be required after the new modem is operational.

Cost: The 2224-B00 -- without Autocall -- can be purchased from ATTIS for approximately \$1,045 or can be leased as follows:

24 months	\$50 per month
48 months	\$35 per month
Installation charge	\$100 (one time charge)

The 2224-BD0 -- with Autocall -- can be purchased from ATTIS for approximately \$822 or can be leased as follows:

24 months	\$60 per month
48 months	\$45 per month
Installation charge	\$100 (one time charge)

AT&T also will provide maintenance services.

To order: The Fort Worth AT&T office will serve as the central contact point and will send contract documents and monitor the ordering process. Contact the AT&T representative, Ms. Melissa Yoshioka at (817) 870-4497 to request information.

Technical Specifications:

2224-B00 Modem, full duplex, stand-alone modem

2224-BD0 Modem, full duplex, stand-alone modem, Autocall feature

More information: The Federal Reserve Bank contacts for phase one are Richard Lopez (214) 698-4299 and Kent Goldin (214) 698-4306.

PHASE TWO

Definition: Phase two consists of implementing the ACF2 Access Control System that will replace the current CASE Access Control System.

Schedule: Training of financial institution personnel will begin during the second quarter of 1985. It is anticipated that training for existing RESPONSE network users will be accomplished through printed materials and keying the transactions in a test environment. It will not be necessary to attend training sessions at the Federal Reserve Bank of Dallas.

Cost: There is no cost involved in phase two.

More information: The contacts for phase two are Joan Perry or Kristy Moorman at (214) 698-4280.

PHASE THREE

Definition: The Federal Reserve System plans to increase the level of security in all of its networks during phase three. The next level of security improvements for the RESPONSE dial-up network will be to implement a data encryption capability. This capability will prevent the authorized monitoring of information sent and received through your communications link. It will be necessary to add an encryption adapter to all personal computers.

To accomplish this, all personal computers accessing the RESPONSE network must be equipped with an encryption adapter and a Synchronous Data Link Control (SDLC) capability. The Federal Reserve Bank will make available a combination SDLC and Encryption Adapter to

those financial institutions that provide their own equipment. Those institutions that purchased an IBM SDLC Adapter (part number 1502090) in accordance with previous Federal Reserve Bank instructions can trade the purchased adapter in on the combination SDLC/Encryption Adapter for full list price.

- Schedule:** Encryption adapters will be installed in Federal Reserve Bank leased personal computers beginning in the first quarter of 1985. In that same time period, the Fed also will begin to make available the combination SDLC/Encryption Adapters to financial institutions that provide their own equipment to access the RESPONSE network. Implementation of the data encryption capability cannot occur until a substantial number of Encryption Adapters have been installed.
- Cost:** Costs will be as minimal as possible. Additional information on this area will be provided at a later date.
- Prerequisite:** Institutions will need to complete implementation of the AT&T Information Systems modem as outlined in phase one.
- More information:** The contacts for phase three are Richard Lopez (214) 698-4299 and Kent Goldin (214) 698-4306.

PHASE FOUR

- Definition:** Phase four consists of implementation of new applications software.
- Schedule:** Implementation will be phased-in around the middle of 1985.
- Prerequisite:** Financial institutions providing their personal computer to access the RESPONSE network must have installed the SDLC/Encryption Adapter outlined in phase three.
- More information:** The contacts for phase four are Richard Lopez (214) 698-4299 and Kent Goldin (214) 698-4306.