



FEDERAL RESERVE BANK  
OF DALLAS

TONY J. SALVAGGIO  
FIRST VICE PRESIDENT

March 19, 1993

DALLAS, TEXAS 75222

Notice 93-36

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

**SUBJECT**

**Consolidation of Federal Reserve Automation Services**

**DETAILS**

After a two-year study of automation strategy and resources, the Federal Reserve System has concluded that significant benefits can be realized by consolidating its mainframe data processing centers. These systems process over \$1.2 trillion in electronic payments each business day and must be highly reliable and cost-effective. The consolidation will meet both requirements. We have created a new entity called the Federal Reserve Automation Services, commonly referred to by the acronym FRAS, to administer and operate three consolidated data processing and data communications centers. Those centers are located in Dallas, Texas; Richmond, Virginia; and East Rutherford, New Jersey (a Federal Reserve Bank of New York site).

We expect the automation consolidation project will lead to significant improvements in the reliability and availability of critical payments systems, including funds and securities transfers and ACH transactions. The consolidation will also result in enhanced contingency processing capabilities, improved security, increased operating efficiencies, and more consistent levels of services for these critical payment systems, as well as for many of our other services. In addition, new centralized application software will be developed for critical business functions such as ACH, funds and securities transfers, and accounting. Together, these changes are expected to provide improved service quality and functionality, while realizing significant cost savings in the long run.

The transition to the new processing environment began in late 1992 and will take approximately three years to complete. However, with an effort of this magnitude, there will be many changes to the present operating environment. Initial changes will be internal to the Federal Reserve, but customers in the Eleventh District will begin to see some changes toward the

end of the first quarter of 1993. We want to assure you that it is our intent to try to minimize the impact on you of the transition to the new environment. At the present time, we are evaluating all business and technical areas to identify changes that will affect our customers. Some of the changes listed below will affect you but will not require any effort on your part while others will require your participation. We will make every effort to provide sufficient lead time for changes you may have to make so you may work with your vendor or make changes to your system in a timely manner.

- Data Security procedures will change. You will no longer make ACF2 security changes as you do today. In April we will begin using more of the Fedline software's security functions.
- Changes that affect Fedline customers will be incorporated in the Fedline software and distributed to you in advance of required use.
- All computer processing will use a standard system time (Eastern Standard Time) which will affect most applications and the time displayed on reports you receive.
- Computer Interface (CI) customers using the FRISC protocol will be required to make some network definition changes. All required changes for the FRISC protocol have been distributed to affected financial institutions. Also, revised Computer Interface Protocol Specifications (CIPS) documents will be distributed in the fall of this year.
- A new testing environment will be available to customers at the consolidation data centers. A dedicated customer testing system will allow Reserve Banks to provide additional testing services, such as expanded training facilities and unsupervised -- and perhaps unscheduled -- testing services, over a much broader test window than is available today.

As consolidation and implementation of centralized applications proceed, thorough testing of the network configurations and other changes will be necessary. As a result, we will request your help to test the new environment. Test scripts will be developed and made available before any tests are conducted and advance notice will be given when test time is necessary.

We will publish more detailed information regarding changes, test time and the overall transition schedule as data are available. The network, help desk, and customer support contacts that you interface with today will remain the same as we go through the transition process and continue in the future.

Any project of this scope and magnitude is always dependent on the cooperation and support of all involved. We know that we can depend on your assistance to help make this critical transition successful.

**MORE INFORMATION**

For more information, or if you have questions regarding this information, please contact Larry Ripley at (214) 922-6429 or 1-800-333-4460, extension 6429.

For additional copies of this Bank's notice, please contact the Public Affairs Department at (214) 922-5254.

Sincerely,

A handwritten signature in cursive script that reads "Tony J. Salysis". The signature is written in black ink and is positioned below the word "Sincerely,".