

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 9440]
January 14, 1983

FEDERAL RESERVE CASH SERVICES

Revised Fee Schedule for Cash Transportation Services

*To All Depository Institutions, and Others Concerned,
in the Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System, as required by the Monetary Control Act of 1980, has reviewed, after a one-year period, the 1982 cash transportation fee ceilings, which became effective January 28, 1982. Printed on the following pages is a summary of the Board's action as it relates to the fee ceilings announced in our Circular No. 9433, dated December 30, 1982.

This Bank's zone fee schedule has also been revised, effective February 1, 1983. A statement of the revised schedule is also printed on the following pages.

Questions concerning the fee ceilings and revised zone fees may be directed, at the Head Office, to Anthony N. Sagliano, Manager, Currency Verification Department (Tel. No. 212-791-5777), or, at the Buffalo Branch, to Harry A. Curth, Operations Officer (Tel. No. 716-849-5018).

This circular supersedes our Circular No. 9190, dated November 19, 1981. Additional copies of this circular will be furnished upon request directed to the Circulars Division of this Bank (Tel. No. 212-791-5216).

ANTHONY M. SOLOMON,
President.

CASH TRANSPORTATION SERVICES

Fee Schedule Policy and Ceilings

Background

In October 1981, the Board of Governors adopted a schedule of fees for cash transportation service to be provided by Federal Reserve Banks, effective January 28, 1982. The fee structure for 1982 contained two components: a volume (per-bag) charge and a per-stop charge. The national \$0.50 bag charge was intended to allocate costs more equitably between high volume and low volume end points. The per-stop charges were developed by each Federal Reserve Bank based on zones serviced within its District.

To alleviate the impact of pricing the cash transportation service on small, remotely located depository institutions, the Board adopted temporary fee ceilings of \$75 on the per-stop charge and \$37.50 for one-way registered mail shipments.

The Board adopted the fee ceilings for 1982 and 1983 with the option of reviewing the appropriateness of the fee ceilings after 1982. After the two-year period, however, cash transportation fees would be set to recover full costs as required under the Monetary Control Act (MCA). Fees for registered mail shipments would be based on the actual cost of postage and insurance incurred by the Reserve Banks.

Experience with priced cash transportation service in 1982 (the first year of pricing this service) has highlighted the need for flexibility in fee setting to be more responsive to prevailing market conditions in each Reserve District. Therefore, the Board has provided that the 1983 cash transportation fee schedule may be composed of the same two components, but with specific modifications.

Fee Ceilings

The Board has permitted the Reserve Banks the *option* of continuing to use a bag charge in conjunction with a per-stop charge and has set a \$2.00 ceiling for the bag charge.

The Board has also approved adjusting the 1982 fee ceilings. The per-stop fee ceiling for 1983 may be as low as \$100, provided a Reserve Bank's aggregate subsidy costs do not exceed its projected 1983 subsidy costs. Cash transportation per-stop fees in 1983 reflect the full cost of transportation, administrative costs (including the 16 percent private sector adjustment factor (PSAF)), market conditions, and industry practices. With regard to registered mail, the 1983 fee ceiling of \$100 is the same as the per-stop fee ceiling.

The Board recognizes that imposing a new registered mail fee ceiling of \$100 on each shipment, to and from the depository institution, may discriminate unfavorably against the small, remotely located institutions that use registered mail shipments on a turn-around schedule. Therefore, the registered mail fee ceiling will be applied as follows: If a depository institution both receives and sends cash, during a Monday-to-Friday calendar week, this activity will be treated like an armored carrier round trip for pricing purposes. If an institution receives or sends cash more than once during a calendar week or has more than one round trip, the fee ceiling will apply to the first round trip or to the first trip of multiple one-way trips going in the same direction in that period.

You should note that Reserve Banks continue to view registered mail service as a less secure method of shipment and will continue to discourage its use as a method of shipment for cash except to remotely located institutions or where special circumstances exist. Registered mail service will be permitted only with the express approval of a Reserve Bank office.

The Board, in adopting the revised fee schedule, realizes that costs to small, remotely located institutions may increase. In this regard, the Board's action has been deemed necessary to provide for a smoother transition to full cost pricing of the cash transportation service in 1984. To aid in this transition, Reserve Banks will, in 1983:

- Implement uniform accounting procedures for the crediting and debiting of institutions for cash shipments, regardless of how transportation is provided;
- Renegotiate multi-year carrier contracts, where appropriate, to reduce cash transportation costs; and
- Continue studies to determine if cash depots and cash terminal arrangements should be utilized to reduce transportation costs.

REVISED ZONE FEE SCHEDULE — SECOND DISTRICT

This Bank's rationale for determining the new zone fees conforms to these guidelines.

The new per-stop fees were generally calculated on a zone-by-zone basis, taking into account the actual contract cost for each zone, including administrative costs and the 16 percent PSAF. The bag charge has been maintained at \$0.50 per bag. The registered mail fee ceiling was increased to \$100 in accordance with the Board's directive. Also, this Bank will continue to negotiate special handling fees for the large money-center banks.

Overall price increases for the Head Office and the Buffalo Branch are 16.1 percent and 19.7 percent, respectively. The revised zone fee schedule was developed, as required by the MCA, for full cost recovery by year-end 1983.

It is expected that the 1983 per-stop fees will be in effect for one year, after which time they will be recalculated to reflect any operational or market changes. The Bank's cash transportation service continues to be efficient and secure, with depository institutions guaranteed full insurance coverage on all deposits and shipments meeting this Bank's terms and conditions.

Finally, as part of its efforts to reduce overall cash transportation costs, the Second District has:

- reassigned Oneida County and one-half of Herkimer County from Zone 5 to Zone 4 to reflect more accurately actual route costs; and
- reviewed and renegotiated specific armored carrier contracts in light of market changes in the respective zones. (We will continue to monitor contract costs.)

The zone designations and the municipalities included in each zone appear on the following pages.

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SECOND FEDERAL RESERVE DISTRICT

1983 PER STOP FEES BY ZONE

<u>Head Office</u>		<u>Buffalo</u>	
<u>Zone</u>	<u>Fee</u>	<u>Zone</u>	<u>Fee</u>
1	\$40	1	\$40
2	38	2	42
3	38	3	44
4	—	4	45
5	63	5	48
6	17	6	36
7	32		
8	62		
9	30		
10	41		
11	45		
12	45		
13	33		
14	—		

MUNICIPALITIES PROVIDED CURRENCY AND COIN SHIPPING SERVICE

HEAD OFFICE TERRITORY

A. NEW JERSEY

Municipalities Included in Zone 1

PER STOP CHARGE \$40

Allendale	Garfield	Montvale	Rutherford
Bergenfield	Glen Rock	New Milford	Saddle Brook
Bogota	Hackensack	North Arlington	Saddle River
Carlstadt	Harrington Park	Northvale	South Hackensack
Closter	Hasbrouck Heights	Oakland	Teaneck
Cresskill	Haworth	Oradell	Tenafly
Dumont	Hillsdale	Palisades Park	Waldwick
East Rutherford	Ho-Ho-Kus	Paramus	Wallington
Edgewater	Leonia	Park Ridge	Washington Township
Elmwood Park	Little Ferry	Ramsey	Westwood
Emerson	Lodi	Ridgefield	Woodcliff Lake
Englewood Cliffs	Lyndhurst	Ridgefield Park	Wood Ridge
Englewood	Mahwah	Ridgewood	Wyckoff
Fairlawn	Maywood	River Edge	
Fort Lee	Midland Park	River Vale	
Franklin Lakes	Moonachie	Rochelle Park	

Municipalities Included in Zone 2

PER STOP CHARGE \$38

Belleville	Glen Ridge	Mt. Freedom	Riverdale
Bloomfield	Haledon	Mt. Olive	Ringwood
Bloomingtondale	Haskell	Mountain View	Rockaway
Boonton	Hawthorne	Netcong	Rockaway Township
Boonton Township	Irvington	New Vernon	Roxbury
Budd Lake	Lake Hopatcong	North Haledon	Short Hills
Caldwell	Landing	Nutley	South Orange
Cedar Grove	Lincoln Park	Orange	Stirling
Chester	Little Falls	Parsippany	Totowa
Clifton	Livingston	Parsippany-Troy Hills	Verona
Denville	Madison	Passaic	Wayne
Dover	Maplewood	Paterson	West Caldwell
East Hanover	Millburn	Pine Brook	West Orange
East Orange	Midvale	Pompton Lakes	West Paterson
Fairfield	Montclair	Pompton Plains	West Milford
Flanders	Morris Plains	Prospect Park	Wharton
Florham Park	Morristown	Randolph Township Dover	Whippany

Municipalities Included in Zone 3

PER STOP CHARGE \$38

Avenel	Guttenberg	Milltown	Scotch Plains
Bayonne	Harrison	New Brunswick	Secaucus
Carteret	Highland Park	North Bergen	South Amboy
Clark	Hillside	North Brunswick	Spotswood
Colonia	Iselin	Old Bridge Township	Springfield
Cranbury	Jersey City	Perth Amboy	Staten Island
Cranford	Kearny	Piscataway	Summit
Dayton	Kendall Park	Plainfield	Union
East Newark	Kenilworth	Plainsboro	Union City
Edison	Laurence Harbor	Port Reading	Weehawken
Elizabeth	Linden	Rahway	West New York
Fords	Metuchen	Roselle	Westfield
Garwood	Middlesex	Sayreville	Woodbridge

HEAD OFFICE TERRITORY (Continued)

ZONE 4

FRBNY ARMORED CARRIER SERVICE DISCONTINUED

Municipalities Included in Zone 5

PER STOP CHARGE \$63

Alpha	Byram Township	Hillsborough	Port Jervis
Andover	Califon	Hope	Raritan
Andover Township	Clinton	Hopatcong	Rocky Hill
Augusta	Flemington	Lambertville	Somerville
Baptistown	Franklin	Lebanon	Sparta
Belvidere	Frenchtown	Montague Township	Sparrow Bush
Belle Mead	Fredon Township	Milford	Stillwater
Berkeley Heights	Gladestown	Newton	Sussex
Bernardsville	Glen Gardner	Oxford	Tranquility
Blairstown	Hackettstown	Phillipsburg	Vernon
Bloomsbury	Harmony	Pittstown	Washington
Branchville	Hamburg	Pluckemin	Whitehouse
Bridgewater	High Bridge	Pohatcong	Whitehouse Station

Municipalities Included in Zone 6

PER STOP CHARGE \$17

Newark	Orange
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B. NEW YORK

Municipalities Included in Zone 7

PER STOP CHARGE \$32

Bardonia	New City	Sloatsburg	Tallman
Blauvelt	Nyack	Sparkill	Tappan
Haverstraw	Orangeburg	Spring Valley	Valley Cottage
Monsey	Piermont	Stony Point	West Haverstraw
Mount Ivy	Pearl River	Suffern	West Nyack
Nanuet			

Municipalities Included in Zone 8

PER STOP CHARGE \$62

Bloomington	Greenwood Lake	Monticello	Unionville
Callicoon	Harriman	Narrowsburg	Walden
Central Valley	Jeffersonville	Otisville	Wallkill
Chester	Liberty	Pine Bush	Warwick
Eldred	Livingston Manor	Fine Island	Washingtonville
Ellenville	Maybrook	Rock Hill	White Lake
Florida	Middletown	Roscoe	Woodbourne
Coshen	Monroe	South Fallsburgh	Woodridge
Crahamsville	Montgomery	Tuxedo	Wurtsboro

HEAD OFFICE TERRITORY (Continued)

Municipalities Included in Zone 9

PER STOP CHARGE \$30

Ardley	Eastchester	Mamaroneck	Pound Ridge
Armonk	East White Plains	Miliwood	Putnam Valley
Baldwin Place	Elmsford	Mohegan Lake	Rye
Bedford Hills	Greenville	Mount Vernon	Scarsdale
Bedford Village	Golden Bridge	Mt. Kisco	Shrub Oak
Brewster	Harrison	New Rochelle	Somers
Briarcliff	Hartsdale	North Tarrytown	Tarrytown
Briarcliff Manor	Hastings on Hudson	Ossining	Thornwood
Bronxville	Hawthorne	Peekskill	Tuckahoe
Carmel	Irvington	Pelham	Valhalla
Chappaqua	Jefferson Valley	Pelham Manor	White Plains
Croton on Hudson	Katonah	Pleasantville	Yonkers
Cross River	Larchmont	Port Chester	Yorktown Heights
Dobbs Ferry	Mahopac		

Municipalities Included in Zone 10

PER STOP CHARGE \$41

Albertson	Freeport	Manhasset	Roosevelt
Arverne	Carden City	Merrick	Roslyn
Baldwin	Garden City Park	Mineola	Roslyn Heights
Bellerose	Glen Cove	New Hyde Park	Sea Cliff
Carle Place	Great Neck	North Merrick	Seaford
Cedarhurst	Hempstead	North Valley Stream	South Hempstead
East Rockaway	Hewlett	Oceanside	Stewart Manor
Elmont	Inwood	Ozone Park	Uniondale
Far Rockaway	Island Park	Port Washington	Valley Stream
Floral Park	Lawrence	Queens Village	Westbury
Flushing	Long Beach	Richmond Hill	West Hempstead
Forest Hills	Lynbrook	Rockville	Williston Park
Franklin Square	Malverne	Rockville Centre	Woodmere

Municipalities Included in Zone 11

PER STOP CHARGE \$45

Amityville	East Quogue	Massapequa Park	Sag Harbor
Babylon	East Setauket	Mastic	Sayville
Bayport	Farmingdale	Mastic Beach	Selden
Bayshore	Farmingville	Medford	Setauket
Bayville	Fort Salonga	Melville	Shirley
Bellmore	Glen Head	Middle Island	Smithtown
Bellport	Greenlawn	Miller Place	Sound Beach
Bethpage	Greenport	Montauk	Southampton
Bohemia	Greenvale	Nesconset	South Farmingdale
Brentwood	Halesite	New Cassel	Southold
Bridgeton	Hampton Bays	North Babylon	South Huntington
Centereach	Hauppauge	North Bellmore	South Setauket
Center Moriches	Hicksville	North Lindenhurst	Stony Brook
Central Islip	Holbrook	North Massapequa	Syosset
Cold Spring Harbor	Holtsville	North Patchogue	Terryville
Commack	Huntington	Northport	Upton
Copiague	Huntington Station	Oakdale	Wading River
Coram	Islip	Old Bethpage	Wantagh
Deer Park	Islip Terrace	Oyster Bay	Water Mill
Dix Hills	Jericho	Patchogue	West Babylon
East Farmingdale	Kings Park	Plainedge	West Bay Shore
East Hampton	Lake Grove	Plainview	Westhampton Beach
East Hills	Lake Ronkonkoma	Port Jefferson	West Islip
East Islip	Levittown	Port Jefferson Station	West Sayville
East Meadow	Lindenhurst	Riverhead	West Smithtown
East Northport	Locust Valley	Rocky Point	Woodbury
East Norwich	Massapequa	Ronkonkoma	Wyandanch
Eastport			

HEAD OFFICE TERRITORY (Continued)

NEW YORK
Municipalities Included in Zone 12

PER STOP CHARGE \$45

Albany	Corinth	Guilderland	Salem
Altamont	Delhi	Half Moon	Saratoga Springs
Amsterdam	Delmar	Hoosick Falls	Schaghticoke
Argyle	Downsville	Hudson Falls	Schenectady
Averill Park	Duanesburg	Johnstown	Schoharie
Ballston Lake	Elsmere	Lake George	Schroon Lake
Ballston Spa	Fonda	Lake Luzerne	Schuylerville
Bolton Landing	Fort Ann	Latham	Scotia
Broadalbin	Fort Edward	Malta	Sharon Springs
Burnt Hills	Fort Plain	Mechanicville	Shokan
Cambridge	Fultonville	Menands	South Glens Falls
Canajoharie	Galway	Middleburg	St. Johnsville
Castle-on-Hudson	Glens Falls	Modena	Troy
Cherry Valley	Glenville	Nassau	Warrensburg
Chesterton	Gloversville	Queensbury	Waterford
Clifton Park	Granville	Ravena	Watervliet
Cobleskill	Green Island	Rensselaer	Whitehall
Cohoes	Greenwich	Rotterdam	Wynantskill
Colonie			

Municipalities Included in Zone 13

PER STOP CHARGE \$33

Amenia	Fishkill	Milton	Red Hook
Arthursburg	Germantown	Newburgh	Rhinebeck
Athens	Highland	New Paltz	Rosendale
Beacon	Highland Falls	New Windsor	Saugerties
Cairo	Hopewell Junction	Pawling	Tannersville
Catskill	Hudson	Philmont	Vails Gate
Chatham	Hyde Park	Pine Plains	Wappingers Falls
Cold Spring	Kinderhook	Pleasant Valley	West Hurley
Copake	Kingston	Port Ewen	Windham
Cornwall	Millbrook	Poughkeepsie	Windale
Coxsackie	Millerton	Olive	Woodstock
Dover Plains			

C. CONNECTICUT
Zone 14

FRBNY ARMORED CARRIER SERVICE DISCONTINUED

BUFFALO BRANCH TERRITORY

Municipalities Included in Zone 1 PER STOP CHARGE \$40

Albion	East Aurora	Medina	Silver Springs
Alden	Eden	Middleport	Springville
Amherst	Elba	Newfane	City of Tonawanda
Angola	Elma	Niagara Falls	Town of Hamburg
Arcade	Getzville	North Boston	Town of Niagara
Attica	Grand Island	North Collins	Wanaka
Barker	Holland	North Tonawanda	Wheatfield
Batavia	Holley	Oakfield	Williamsville
Clarence	Lancaster	Orchard Park	Wilson
Corfu	Lewiston	Perry	Youngstown
Depew	Lockport	Ransomville	
Derby	Lyndonville	Sanborn/Cambria	

Municipalities Included in Zone 2 PER STOP CHARGE \$42

Avon	Geneseo	Macedon	Red Creek
Brighton	Geneva	Marion	Rochester
Brockport	Greece	Mt. Morris	Rushville
Caledonia	Groveland	Naples	Savannah
Canandaigua	Henrietta	Newark	Scottsville
Chili Center	Hilton	North Rose	Shortsville
Churchville	Holcomb	Nunda	Sodus
Clifton Spgs	Honeoye	Ontario	Spencerport
Clyde	Honeoye Falls	Palmyra	Victor
Dansville	Irondequoit	Penfield	Webster
Dundee	Lima	Penn Yan	Williamson
East Rochester	Livonia	Phelps	Wolcott
Gates	Lyons	Pittsford	

Municipalities Included in Zone 3 PER STOP CHARGE \$44

Addison	Cassadaga	Fredonia	Rushford
Alfred	Cattaraugus	Gowanda	Salamanca
Allegany	Cherry Creek	Greenwood	Sherman
Andover	Clymer	Hammondsport	Silver Creek
Arkport	Cohocton	Jamestown	South Corning
Atlanta	Corning	Lakewood	South Dayton
Avoca	Cuba	Mayville	Wayland
Bath	Delevan	Olean	Wellsville
Belmont	Dunkirk	Painted Post	West Ellicott
Bolivar	Ellicottville	Portville	Westfield
Brocton	Falconer	Prattsburg	Whitesville
Canesteeo	Forestville	Ripley	Yorkshire

BUFFALO BRANCH TERRITORY (Continued)

Municipalities Included in Zone 4

PER STOP CHARGE \$45

Afton	Earlville	Maine	Port Byron
Appalachin	Elmira	Manlius	Pulaski
Auburn	Endicott	Marathon	Rome
Aurora	Endwell	Mexico	Sauquoit
Bainbridge	Fair Haven	Middleville	Seneca Falls
Barnveld	Fayetteville	Minoa	Sherburne
Binghamton	Frankfort	Mohawk	Sherrill
Boonville	Fulton	Montour Falls	Solvay
Brewerton	Greene	Moravia	South Otselic
Camillus	Groton	Newark Valley	Southport
Canastota	Hamilton	New Berlin	Spencer
Candor	Hannibal	Newfield	Syracuse
Cato	Herkimer	Nichols	Tully
Cayuga Heights	Holland Patent	Norwich	Union Springs
Central Square	Homer	Odessa	Utica
Cincinnatus	Ilion	Oneida	Vernon
Constantia	Interlaken	Oriskany Falls	Vestal
Clay (Cicero)	Ithaca	Oswego	Waterloo
Clinton	Johnson City	Ovid	Waterville
Cortland	Lansing	Owego	Watkins Glen
DeWitt	Little Falls	Oxford	Waverly
Dolgeville	Liverpool	Phoenix	West Winfield
Dryden	Locke	Poland	

Municipalities Included in Zone 5

PER STOP CHARGE \$48

Adams	Edmeston	Lyons Falls	Potsdam
Alexandria Bay	Edwards	Madrid	Redwood
Antwerp	Evans Mills	Malone	Richfield Springs
Black River	Fort Covington	Massena	Sidney
Camp Drum	Gouverneur	Morris	Theresa
Canton	Hammond	New Hartford	Unadilla
Carthage	Hartwick	Norfolk	Waddington
Clayton	Hermon	Norwood	Watertown
Cooperstown	Heuvelton	Ogdensburg	Winthrop
Copenhagen	LaFargeville	Oneonta	
Croghan	Lisbon	Philadelphia	
Dexter	Lowville	Port Leyden	

Municipalities Included in Zone 6

PER STOP CHARGE \$36

Blasdell	Hamburg	Snyder	Woodlawn
Buffalo	Kenmore	Town of Tonawanda	
Cheektowaga	Lackawanna	West Seneca	