

July 2000

TIP/PATAX System Delay

In early June, the U.S. Treasury and the Federal Reserve made a joint decision to delay the implementation of the Treasury Investment Program (TIP) and the Paper Tax System (PATAX) applications to allow for further testing of an internal forecasting application that interfaces with TIP. Originally scheduled to be introduced July 10, TIP and PATAX will now be implemented Oct. 23. Until then, all TT&L processes will operate as they currently do.

We recently distributed the FedLine Version 2.50.80 to your institution. You should install this new version because it contains necessary changes to several applications that are not impacted by the TIP and PATAX delay. You will still be able to access the current TT&L system with this software upgrade, and you will be able to use this same software to access the new TIP and PATAX applications when they are implemented.

The current EDITH voice response system will continue to support TT&L Advices of Credit until the new implementation date. Until further notice, the new national PATAX voice response system will be available for customers to sign on and change their temporary PINs. If you have not yet performed all tasks necessary for converting from EDITH TT&L to the national PATAX system, please continue your preparations for conversion by following the instructions in the PATAX Voice Response Conversion Guide dated April 25, 2000.

If you have any questions, please contact Electronic Access Support at (314) 444-8711, or 1-800-333-0861, and press 1 for an EAS representative.

We have compiled some Questions and Answers that should help with any conversion questions you may have.

Q: What is this PATAX (pronounced PayTAX) Voice Response System I keep hearing about?

A: The PATAX National Voice Response System (VRS) is the system that will replace the TT&L Advice of Credit processing for each of the Federal Reserve Banks' current voice response systems. You will continue to use EDITH to

process ACH return and NOCs and for Cash Ordering if that is how you process those transactions now.

Q: We use FedLine now. Do we have to give it up and process our Advice of Credits on the PATAX VRS?

A: No. You can continue to use FedLine as your primary method to process TT&L Advice of Credits. However, we recommend that you use the PATAX VRS as a back-up method.

Q: Do I have to return the Local Security Administrator (LSA) Access even if there are no changes to be made, or if we do not wish to use the system?

A: Yes, you must return the LSA Access Form. This form is the method we use to track which institutions have responded. Follow-up letters will be sent to institutions that have not returned their access forms.

Q: What's the difference between a Primary LSA and a Back-up LSA?

A: The Primary LSA is our contact for all communications and should distribute any information regarding the PATAX VRS. Both the Primary and Back-up LSA should maintain the Caller ID log, which should consist of all Caller IDs, individuals assigned to each Caller ID, and the location of each individual using the Caller ID. A sample of a log is provided on page 11 of the LSA Guide. LSAs are both responsible for resetting PINs and assisting users.

Q: Does it matter how many Back-up LSAs I add?

A: We recommend that you have at least one Back-up LSA at the same location as the Primary LSA and, if you have branches, at least one Back-up LSA at each branch.

Q: Does it matter how many users I add to the PATAX system?

A: The Primary and Back-up LSA need to determine how many users need access to adequately cover TT&L processing needs. No set number is required by the PATAX VRS.

Q: How long does the PIN for PATAX VRS need to be?

A: The PIN is eight characters long and can include any number and the * and/or #. This differs from the current 6-character PIN used on EDITH.

Q: Now that I have my PATAX Caller ID and PIN, what do I do?

- A: Call the PATAX VRS phone number 1-888-633-2737, and change your 8-digit temporary PIN to a PIN of your own choosing. PIN changes made during the "Practice Period" will be effective as of the new implementation date.

The Future of FedLine

For many years Federal Reserve customers have used FedLine[®] software to send and receive transactions and information. Although customers have traditionally been happy with their FedLine connections, today's DOS-based FedLine needs to be updated to reflect newer technologies. To address this need, the Federal Reserve is developing two new FedLine platforms.

FedLine for the Windows NT[®] Operating System

FedLine for the Windows NT operating system is the software-based replacement for most of today's DOS-based FedLine applications. This new software design is Windows-based to enhance the usability and functionality of each application and to provide the greatest level of security around the FedLine transactions. This software will offer familiar FedLine capabilities with greater functionality than the current FedLine software.

FedLine for the Web

FedLine for the Web, which currently is being piloted in many Districts, is a Web-based platform that provides even greater flexibility in managing FedLine transactions. Unlike DOS-based FedLine, FedLine for the Web will allow customers to access certain Federal Reserve applications from any Internet-connected PC and a Web browser. Many of the current FedLine services, as well as new services, will be moved to FedLine for the Web. The benefit to our customers is that we can develop and deliver these services faster than we have ever been able to with the software-based versions of FedLine.

Why Two Platforms?

To maintain the integrity of the nation's payments system, one of our foremost concerns is information and transaction security. Many of the financial services provided by the Federal Reserve involve large sums of money and immediate settlement. This means that, as transactions are submitted or received, they automatically and immediately are posted to the corresponding Fed account.

As many of the DOS-based FedLine applications are mission-critical and require the greatest level of security available, they will migrate directly to FedLine for the Windows NT operating system, where security is built around both software and hardware components. For now, only those applications with less stringent security requirements will migrate to FedLine for the Web. As Internet security continues to mature, other Federal Reserve applications will be available through the Web.

When Will They Be Available?

The Federal Reserve will release FedLine for the Web applications as they are developed. Savings Bonds and Cash ordering and deposit notification will be available beginning fall 2000. Current Web application development also includes Check services products.

The Federal Reserve will begin conversions to FedLine for the Windows NT operating system in the fourth quarter of 2000, following pilot activities. Applications that will be available with the first release V 4.0 include: Accounting Services, ACH, Funds Transfer, Book Entry Securities, Statistical Reporting (FR2900 and others), Check Return Notifications, Savings Bonds, and Treasury Tax & Loan.

With the implementation of these two new FedLine platforms, the Federal Reserve is anxious to begin working with each customer to define an appropriate conversion strategy. Please contact your local business development account manager or your FedLine customer support area for additional information.

What's My Option?

Did you know when you dial your Fedline Support number, 1-800-333-0861 or (314) 444-8711, you have the option to reach several areas within the Federal Reserve Bank? Listen to the recording the next time you call and make your decision based on the selections offered. Here are some criteria you can use to make the best decision; your four choices are listed below:

- * To speak with an Electronic Access Support technician, press 1.
Press this number if:
 - You are having a connectivity problem
 - You have a basic Fedline functionality problem
 - You have a Fedline functionality question about a specific application

- * To speak with an Information Security representative, press 2.
Press this number if:
 - You have a problem with your HOST User Code (HUC)
 - You have a problem with your Local User ID (LUI)
 - You need forms for adding or deleting a HUC
 - You need assistance with your encryption keys

- * To speak with an ACH representative, press 3.
Press this number if:
 - You need to investigate the disposition of an ACH entry
 - You have a non-Fedline related ACH application question

- * To speak with a Funds Transfer representative, press 4.

Press this number if:
You need to investigate the disposition of a Funds Transfer
You have a non-Fedline related Funds Transfer application question

2000 FedLine Training Schedule

FedLine training sessions are conducted over three days—a half-day for Local Security Administration (LSA) training and two-and-a-half days for FedLine training. The ACH Origination sessions are one-day sessions and are for current FedLine customers only. Each financial institution may send two individuals to a training session. Check Adjustment, Book Entry Securities and Automated Auction are one-day training sessions scheduled as needed. We reserve the right to cancel, add or reschedule training sessions based on demand. *This training is for the current DOS-based FedLine only, not FedLine for Windows NT.*

<u>Date</u>	<u>Class</u>	<u>Location</u>
August 8-10	FedLine Training	St. Louis
August 11	FedLine ACH Origination Training	St. Louis
August 15-17	FedLine Training	Memphis
September 12-14	FedLine Training	St. Louis
September 15	FedLine ACH Origination Training	St. Louis
November 14-16	FedLine Training	St. Louis
November 17	FedLine ACH Origination Training	St. Louis
December 5-7	FedLine Training	Memphis
December 8	FedLine ACH Origination Training	Memphis
December 12-14	FedLine Training	St. Louis
December 15	FedLine ACH Origination Training	St. Louis

For pricing or registration information, please call (314) 444-8711 or 1-800-333-0861, and press 1 to speak with for an EAS representative.

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“Windows NT” is a registered trademark of Microsoft Corporation.