



FED ANNOUNCES NEW FINANCIAL SERVICES MANAGEMENT STRUCTURE

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ST. LOUIS -- In response to the evolving needs of the financial markets and payments industry, the Federal Reserve Banks have announced changes to their management structure for System-level financial services activities. These changes include the creation of a Financial Services Policy Committee and a Financial Services Management Committee that will work with Reserve Banks in the provision of financial services. The new structure is expected to be fully in place by January 1, 1995.

"As a major element of the economy's infrastructure, the payments system needs to accommodate the changing needs of its users," said Thomas C. Melzer, president of the Federal Reserve Bank of St. Louis and chairman of the FSPC. "This financial services management structure--which more clearly defines System-level responsibilities for Fed services--will better position Reserve Banks to foster improved payments systems, while continuing to serve bankers with reliable, high quality financial services."

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The new structure will enable the Fed to: be more responsive to the demand for enhanced and more efficient payments services; address the changing needs of bankers as they expand operations across Federal Reserve Districts; better integrate and coordinate the provision of financial services across the Federal Reserve System; and sharpen the strategic focus in payments systems planning.

The Policy Committee will establish strategic direction and policies for Reserve Bank financial services. In addition to Mr. Melzer, the committee members include: J. Alfred Broaddus Jr., president of the Federal Reserve Bank of Richmond; Jack Guynn, first vice president of the Federal Reserve Bank of Atlanta; William C. Conrad, first vice president of the Federal Reserve Bank of Chicago; and Tony J. Salvaggio, first vice president of the Federal Reserve Bank of Dallas.

The Management Committee, chaired by Guynn, will develop and implement an integrated business plan for financial services, and coordinate System-level activities that support the plan. The committee will be comprised of four first vice presidents appointed as product group directors, and Carl E. Powell, director of Federal Reserve Automation Services. Product group directors and responsibilities include:

- * Paul M. Connolly, first vice president of the Federal Reserve Bank of Boston, who will serve as product director for retail payments services which includes check and automated clearinghouse products;

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- * James H. Oltman, first vice president of the Federal Reserve Bank of New York, who will serve as product director over wholesale services which includes Fedwire funds transfer and book-entry securities;

- * William H. Stone Jr., first vice president of the Federal Reserve Bank of Philadelphia, who will serve as product director for fiscal and cash services;

- * Patrick K. Barron, first vice president of the Federal Reserve Bank of San Francisco, who will serve as director of support services which includes accounting, electronic access services, and non-centralized automation activities related to the provision of financial services.

The designation of product group directors will have a minimal effect on staffing levels at these respective Reserve Banks. All Reserve Banks, and their branch offices, will continue to be responsible for the delivery of services and customer support.

Federal Reserve Banks are part of the nation's central bank and provide financial services to depository institutions and the U.S. Treasury. Their activities are overseen by local boards of directors, subject to the general supervision of the Board of Governors of the Federal Reserve System in Washington, D.C.
