



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551-0001

TO: Federal Open Market Committee
FROM: FOMC Secretariat

DATE: May 12, 1995

At the meeting on March 28, preliminary consideration was given to increasing the number of individuals at each Reserve Bank who may be given access to Class I information.¹ The proposal before the Committee was to increase access to Class I materials from 4 to 7 persons, with access to Class II documents remaining at 7. During the discussion, a proposal was made to increase access to Class II documents as well--to 10 persons. Another proposal was to limit the increase in access to Class I documents to 5 or 6 persons. No decision was made and it was agreed that the Secretariat should poll the members individually to obtain their views.

Attached to this memorandum is a form designed to collect the preferences of the members on this issue and two additional matters covered in the March 23 memo to the Committee. On the basis of the preferences that are expressed by the members, the Secretariat will make any conforming changes to the March 23 proposals and these issues will be resubmitted for consideration and a formal vote at the May 23 meeting. Please return the completed form to Normand Bernard.

1. The current numerical limits apply to the Reserve Banks other than New York. Access by New York Bank and Board staff is limited as explained in III.A. of the current Program for Security of FOMC Information.

While numerous possible combinations could be developed, the Secretariat has set out three alternatives (with variants within alternative two) as a starting point for Committee consideration:

1. Retain current access limits at 4 for Class I and 7 for Class II.
2. Raise access to Class I materials to 5, 6, or 7 and access to Class II to 10.
3. Raise access to Class I to 7 but retain the current limit of 7 for access to Class II.

The Secretariat also considered downgrading the Bluebook from Class I to Class II, thereby giving it the same classification as Part I of the Greenbook. We decided not to recommend a downgrade because the Bluebook often contains more explicit information about the staff's interest rate assumptions or alternative scenarios.

A second issue was raised in the memo to the Committee dated March 23, 1995--that of access to the latest directive. Such access currently is limited to the members and certain staff at the Desk and the Board involved with open market operations and the Secretariat. Staff recommends that this be changed to include access by staff authorized to attend FOMC meetings on a regular basis (two staff members at each Reserve Bank are designated each year by the Presidents). This limit also would be applied to the draft minutes (which contain the latest directive).

The other change suggested in the March 23 memo--attendance by one First Vice President at each meeting on a rotating basis--would continue to be included in the proposals before the Committee.

Preferences on the Three Issues Covered in the Memorandum

I. Limits on access to Class I and Class II materials.

A. Retain current limits: 4 persons for Class I and 7 persons for Class II.

Prefer _____

B. Raise limit for both:

Class I 5 _____ 6 _____ 7 _____ Other _____

Class II 10 _____ Other _____

C. Raise access to Class I to 7 persons; retain limit of 7 persons for Class II.

Prefer _____

D. Can accept any of the alternatives outlined in memo _____

II. Access to most recent directive and draft minutes.

Limit to President _____

Add meeting attendees per memo _____

III. Rotating attendance by First Vice Presidents.

Favor proposal _____

Favor current practice* _____

Comments, if any;

* Current practice allows a new First Vice President to attend one meeting without requiring the absence of the Bank's economist.