

APPENDIX

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

Office Correspondence

October 21, 1993

To: Federal Open Market Committee Subject: Possible approach to deal
with FOMC transcripts.
From: Virgil Mattingly



Chairman Greenspan has asked that I forward to the Committee members the following outline of an approach to deal with the issue of the FOMC transcripts.

1. If the FOMC receives a FOIA request for pre-existing FOMC transcripts, there is a substantial possibility that the Department of Justice under its new policy favoring public release will not defend an absolute refusal by the FOMC to release the transcripts.

2. The likelihood that the Department of Justice would defend a refusal to release the raw transcripts is improved if the FOMC adopts an orderly process to make the substance of the transcripts available to the public with appropriate deletions for confidential financial and central bank information and with an appropriate time lag.

3. Proposal:

A. The FOMC would adopt a policy of preparing MODs (or their rough equivalent for earlier years) for the years 1976 through 1993 with a commitment to release these MODs under some agreed schedule, e.g., at a rate of at least four years of prior meetings per year. This could include MODs for the meetings held the year three years prior to the release date.

For example, in December 1994, the MODs for 1976, 1977, 1978, and 1991 would be released.

- B. MODs would be prepared for meetings going forward and released with a three year lag.
- C. MODs will be released once each year until all past transcripts of meetings had been converted to MODs and made available to the public subject to the three year time lag.
- D. Confidential financial information, including central bank and foreign government information, would be redacted.
- E. Once an MOD had been approved, by the Committee for a meeting, a permanent record would be in place and the transcript for that meeting could be dispensed with in line with the practice before March 1976.
- F. To the extent possible, the MODs would be circulated to all present and former members who attended the meeting for their editorial comments.

4. If the FOMC sees merit in this proposal, it could consult with the Department of Justice to determine whether the proposal if formally adopted by the FOMC would be consistent with the Department's new policy and whether the Department would defend the Committee against a lawsuit brought against the FOMC for access to the raw transcripts. This proposal for preparation

of MODs from the raw transcripts is consistent with prior legislation approved by the House Banking Committee in 1979 and 1984 and seems to be a reasonable approach balancing the public's right to have access to the substance of the FOMC meetings with the need to ensure against damage to the deliberative process of the FOMC and the quality of monetary policy.

5. The FOMC also could seek legislation along the lines of the proposal but that would also include statutory protection against forced release of the MOD prior to a three-year delay. This would parallel the 1979 and 1984 legislation adopted by the House Banking Committee.