

Membership Report

The Responsibilities of Membership

The Foreign Exchange Committee is a select group of individuals who have achieved stature within their own institutions and the marketplace. In joining the Committee, these individuals expand their focus beyond their own institutions to encompass the entire market. The various responsibilities of the Committee members are outlined in the Document of Organization, reprinted in this volume. Some important requirements for membership are explained below:

- Frequent face-to-face interaction is encouraged to maximize camaraderie and facilitate problem solving and crisis management. To accomplish this, members need to attend all Committee meetings; there are no alternate members and no provisions for conferencing to outside locations.
- The Committee seeks to improve market conditions and reduce risk by developing recommendations or other guidance for market participants. To ensure that the Committee is current on market problems and issues, members need to expeditiously alert the Committee to important developments that they might encounter during a day's activity.
- Each member must be an effective communicator and problem solver with a commitment to raise and, when possible, resolve market and industry issues. The Committee's sponsor, the Federal Reserve Bank of New York, views the Committee as an advisory group that identifies market-related problems, suggests solutions or next steps, and provides feedback on any agreed-upon actions. Members need to meet these expectations.
- Once the Committee takes an action at a meeting, members share and disseminate information, best practices, or related recommendations throughout their own institutions as well as among industry groups and organizations. The Committee's ability to solve problems and gather support for its actions and recommendations depends on the strong link that members have with each other, with their sponsor (the Federal Reserve Bank of New York), and with their institutions and other participants in the foreign exchange market.
- Finally, all members should participate in projects and volunteer their organizations' resources when needed.

Membership Subcommittee

The Membership Subcommittee manages the organization of the Committee by selecting new members, assigning duties, assessing the participation of the current membership, and changing, if necessary, the composition of the Committee. The Membership Subcommittee is the only standing subgroup of the Committee; other subgroups function on a temporary basis and are formed to address specific issues or concerns.

The Federal Reserve representative on the Committee chairs the Membership Subcommittee. Subcommittee members (see the next page for 2007 and 2008 membership) include the Committee's Chair as well as several longstanding and respected members of the Committee.

Much of the subcommittee's work occurs during October and November as the Committee prepares for the upcoming year. In its first meeting, the subcommittee:

- reviews the current Committee membership, taking account of meeting attendance and project participation over the past year;
- notes members whose four-year terms expire at year-end; and
- lists members who resigned or intend to resign prior to the end of their term because of developments at their institutions, such as retirement, resignation, reassignment, or institutional merger activity.

In planning for the new year and considering new individuals for membership, the Committee may reduce or increase the size of the Committee while recognizing that the Document of Organization caps the number of members at thirty.

Members whose terms are expiring are invited to renew for an additional four-year term. The Committee's core group of longstanding members, whose terms have been renewed several times, benefits the entire group by providing a consistency of objectives and an enhanced knowledge of the Committee's history. Members who have been unable to meet the expectations for attendance and project participation may be asked to either step down or recommend others within their

organization who might provide the Committee with more active and consistent support.

When discussing new members, the group considers each candidate's caliber, position, and recognition in the marketplace, as well as the degree of importance the candidate's institution has in the foreign exchange arena. The subcommittee considers individuals who have contacted the Committee directly. In addition, members of the Committee, the subcommittee, or other market participants may nominate an individual who they feel will benefit the Committee's mission.

The subcommittee also weighs the institutional composition of the Committee in its membership decisions on the theory that membership should reflect the overall organization of the actual market. During 2008, the Committee's membership will include individuals from commercial and investment banks and three interdealer brokers.

Finally, the subcommittee designates appropriate members to function as liaisons to facilitate communication between the Committee and its existing working groups. The liaisons for 2007 and 2008 for the two existing working groups are identified below.

Assignments, 2007 and 2008

2007

Committee Chair

Richard Mahoney

Liaisons for Working Groups

Chief Dealers
Russell LaScala
Sue Storey

Operations Managers

Peter Connolly
Richard Rua

Membership Subcommittee

William Dudley (Chair)
Jeff Feig
Richard Mahoney
Christiane Mandell
Philip Newcomb
Jamie Thorsen

Risk Management and Compliance Subcommittee

Peter Connolly
Jamie Thorsen

2008

Committee Chair

Richard Mahoney

Liaisons for Working Groups

Chief Dealers
Russell LaScala

Operations Managers

Robert Catalanello
Peter Connolly

Membership Subcommittee

William Dudley (Chair)
Jeff Feig
Richard Mahoney
Jamie Thorsen

Risk Management and Compliance Subcommittee

Peter Connolly
Jamie Thorsen