



DEPARTMENT OF THE TREASURY
BUREAU OF THE PUBLIC DEBT
WASHINGTON, DC 20239-0001

October 2, 2000

MEMORANDUM FOR SECRETARY SUMMERS

FROM: VAN ZECK
COMMISSIONER

SUBJECT: Transmission of Final Public Debt Strategic Plan for Fiscal
Years 2000-2005

In accordance with the requirements of the Government Performance and Results Act (GPRA) and OMB Circular A-11, Public Debt submits its Strategic Plan for Fiscal Years 2000 — 2005. The plan describes who we are, what we do, and what we will strive to achieve over the next five years.

During the development of our plan, we addressed the following elements as required by GPRA and section 210.13 of OMB Circular A-11:

1. ***Summary of the general scope and nature of the consultations and the types of entities consulted***

To set our strategic course at Public Debt, we regularly consult with our customers and stakeholders -- from individual investors in Treasury securities, to market participants whom we regulate, to Congressional offices, to Federal Agencies that use our services. These consultations occur through a variety of means: conducting formal and informal surveys of our customers; participating in investor forums; engaging in one-on-one and industry-sponsored discourses on market issues; setting up user groups to advise us on service needs; and meeting regularly with Federal Agencies to understand their expectations. We have factored in all of this input in developing our strategic plan.

2. ***Summary of contrary views received***

We received no contrary views from our customers or stakeholders.

3. ***Description of any significant contribution to the preparation of the plan made by non-Federal entities***

The plan was developed entirely by Public Debt managers and employees.

4. ***Public availability of plan***

The plan will be placed on our website at
<http://www.publicdebt.treas.gov/oa/oastrategicplan.htm>.

We welcome this opportunity to submit our Strategic Plan.

Attachment

cc: Donald Hammond
John Murphy

Strategic Plan

2000-2005

BUREAU OF THE PUBLIC DEBT
U.S. Department of the Treasury

September 2000

Message from the Commissioner

This strategic plan is being prepared, as they say, “in interesting times.” Currently, the Federal Government is running budget surpluses and has been doing so for several years. This, following record budget deficits, not that many years before. This abrupt turn of events has created some new and unprecedented challenges for Treasury debt financing...and for Public Debt.

How will these changes affect us? How do we plan strategically in such times? Our answer is to remain focused on the basics. We are not in the business of predicting the future but, in the area of Treasury's debt financing operations, we are very much responsible for preparing for it. Our strategic view is that we will continue to have important work to do for Treasury and for our customers well beyond the 2005 horizon for this strategic plan.

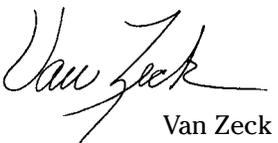
Our fundamental debt accounting work is at the core of our mission and, surplus or deficit, will remain there. We see no diminution of responsibility in this area and, in fact, expect that there will be increasing interest in additional information about our debt and the details behind it. We will continue to be there with an accurate accounting of the public debt.

We have significant responsibilities for Government Accounts Series investments—the holdings of more than 200 Federal investment funds (such as Social Security) in special issues of Treasury securities. These investments are growing and expected to increase for many years. We are sure that this GAS landscape will continue to change and remain challenging. We are planning for and prepared to meet the challenge.

Budget surpluses have caused some people to wonder why we are still borrowing. In fact, even in times of budget deficits, much of our borrowing is done to replace securities that are maturing. Surpluses certainly change the picture a bit but the need to auction and issue Treasury securities is on-going. Instead of being simplified, our “borrowing” function has actually gotten more complicated. To support Treasury's repurchase of outstanding debt, we recently implemented a new debt buyback capability. We anticipate that the Department's financing needs will continue to evolve and likely present us with even more operational challenges. We look forward to supporting these changes.

The area where we touch our customers most directly is with our retail debt programs. Our Savings Bond and *TreasuryDirect* services help our millions of customers save, invest, and plan financially for their future. These programs clearly assist Treasury with debt financing and, beyond the “dollars borrowed,” provide the public with an important opportunity to invest directly in Treasury securities. We expect both of these programs to remain a fundamental part of Treasury's approach to debt financing. To provide even better investment services to the public, we are planning significant retail product and service enhancements.

The directions that we outline in this plan are exciting and the specific targets that we have set for ourselves are far-reaching. Between 2000-2005, the employees of Public Debt will do all that they can to make this description of our future become a reality. Based on their past performance, I have every confidence that the journey will be both successful and fun! I look forward to the trip.



Van Zeck
Commissioner

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This plan can be viewed at <http://www.publicdebt.treas.gov/oa/oastrategicplan.htm>.
Your comments are welcome and can be sent to sdmiller@bpd.treas.gov.

MISSION

Heritage *“The United States debt, foreign and domestic, was the price of liberty. The faith of America has been repeatedly pledged for it ... Among ourselves, the most enlightened friends of good government are those whose expectations of prompt payment are the highest. To justify and preserve their confidence; to promote the increasing respectability of the American name; to answer the calls of justice; to restore landed property to its due value; to furnish new resources, both to agriculture and commerce; to cement more closely the Union of the States; to add to their security against foreign attack; to establish public order on the basis of an upright and liberal policy; these are the great and invaluable ends to be secured by a proper and adequate provision, at the present period, for the support of public credit.”*

*Alexander Hamilton, 1790
First Report on the Public Credit*

Mission The mission of Public Debt is to borrow the money needed to operate the Federal Government and to account for the resulting debt.

Authority Article I, Section 8 of the Constitution empowers the Congress to borrow money on the credit of the United States. This authority has been delegated to the Secretary of the Treasury. As an organizational entity within Treasury's Fiscal Service, the Bureau of the Public Debt is authorized to conduct such borrowing for the Federal Government.

A GUIDE TO OUR STRATEGIC PLAN

This is Public Debt's strategic plan for the beginning of the 21st century—specifically 2000-2005. The plan outlines where we are headed over the next few years. The first section, *At the Highest Level*, presents a 30,000-foot view: a concise statement of the goals, objectives, and strategies that will guide us during the next five years.

In the *What We're About* section, we pause to give you some background on the scope of what we do at Public Debt and how we get our work done. In this section, you get a glimpse of how we break down our responsibilities into eight program areas. This short overview may help those readers who do not know much about us even though they, along with tens of millions of others, may be our customers.

Our Use of Program Evaluations describes some of the ways we have evaluated our past performance and how those evaluations influence our future directions. We regularly evaluate how we are doing—from informal customer feedback through formal investor surveys to our audit reports. And we pay attention to the feedback we get.

Things get quite a bit more detailed in *Program Directions*. Here's where you'll find the specifics of how the broad goals and objectives are transformed into program initiatives. The section begins with some exciting and challenging directions that cut across all of our program areas. Then, the attention turns to each of our programs and specific information about where each of these areas is headed.

The final section, *Our Approach to Management*, is our attempt to provide some insight into our management philosophy. This is an eclectic combination of topics that represents a number of areas that are important to us. The topics range from our employees to our planning philosophy. Our goal in this section is to “go on the record” about some of our values, expectations, and commitments to others.

AT THE HIGHEST LEVEL

Program Goal: Effectively Finance Government Operations

Objectives:

- Borrow what is necessary to meet the monetary needs of the Government.
- Minimize the cost of the Federal Government's borrowing activities.
- Provide mechanisms for participation by a wide range of investors in Treasury debt financing.
- Provide accurate and timely public debt accounting information.

Program Goal: Fulfill Customer Expectations

Objectives:

- Protect investors through effective regulation of the government securities market.
- Provide quality customer service and transaction processing for investors in Treasury securities.
- Provide accurate and timely payments to investors in Treasury securities.
- Provide quality administrative support to franchising customers.

Strategies for Achieving Our Program Goals

- Effectively educate our customers and the securities market on the terms, conditions, and risks of Treasury securities.
- Simplify the regulations and procedures that our customers must follow to conduct business with us.
- Make and receive as many of our payments electronically as possible.
- Encourage investors to purchase securities, access their accounts, and conduct transactions electronically.
- Expand our use of the Internet to inform and communicate with customers and allow them to communicate with us.
- Use the Internet to market securities to retail customers.
- Establish a single account relationship with our customers for all of our retail securities products.
- Minimize the impact of high workload volumes on our operations and customer service.
- Deploy technology in support of our operations using an open architecture, emphasizing business process reengineering, and applying the principles of rapid application development.
- Accomplish administrative transactions electronically.

Assumptions

This strategic plan is based on three fundamental assumptions:

- The Government's borrowing needs will remain substantial because of the need to refinance maturing securities and to ensure efficient cash management practices.
- The statutory debt ceiling, which includes borrowing from the public and government account investments, will continue to limit the total debt that Treasury can incur.
- Treasury will continue to explore and implement alternative methods to conduct its debt management activities.

WHAT WE'RE ABOUT

The Bureau of the Public Debt is responsible for achieving the goals in this strategic plan. We will accomplish the goals through the combined efforts of Public Debt employees, Federal Reserve Banks, and savings bond issuing and paying agents. Public Debt's responsibilities are accomplished through eight program areas:

Commercial Book-Entry Securities
Direct-Access Securities
Savings Securities
Government Securities Market Regulation
Special Purpose Securities
Public Debt Accounting
Government Account Series Securities
Franchise Administrative Services

As part of reaching our goals, we effectively regulate the primary and secondary Treasury securities markets; ensure that reliable systems and processes are in place for purchasing and transferring Treasury securities; annually auction and issue \$2 trillion of marketable securities; issue and redeem more than 100 million savings bonds each year; maintain more than \$400 billion in securities accounts directly for investors; and provide timely and accurate information on the public debt.

Federal Reserve Banks, acting as Treasury's fiscal agents, provide critical systems that support our programs, perform a wide range of customer service functions for us, and are essential to our mission accomplishment. We also direct and rely on financial institutions and other organizations that provide indispensable, front-line transaction services to purchasers of savings bonds at more than 40,000 locations.

We rely extensively on computer processing and telecommunication systems to accomplish our functions and program goals. We operate automated securities processing and financial accounting systems that service and maintain customer accounts, authorize billions of dollars in customer payments, and process accounting transactions to record and report on the public debt of the United States.

We operate an extensive marketing and promotion program to inform and educate the public about the importance of personal saving and our savings bond products.

We place a priority on service for the customers who hold securities with us. We respect their financial privacy and work to make it easy to do business with us. Our focus is to maximize the availability and use of electronic services. Our Web site is content-rich and a prime source of information and services for our customers.

Our operations are funded by an annual appropriation for Administering the Public Debt and permanent-indefinite appropriations for Federal Reserve Bank services and Interest on the Public Debt. While most Public Debt employees are in two locations—Parkersburg, West Virginia and Washington, DC—we also have savings bond marketing personnel located in field offices throughout the country.

Importance of Program Goals to Annual Planning

Public Debt's goals are fundamental, nondiscretionary, and essential to the efficient conduct of government operations. The goals are the basis for our program structure, our organization, and for the specific objectives that we include in our annual performance plan.

Key External Factors for Public Debt Operations

The primary external factors that affect Public Debt's operations and how we accomplish our goals are general interest rate levels, events occurring in the financial markets, the statutory limit on the amount of debt that the Federal Government can incur, and whether the Federal budget is in a deficit or surplus environment.

The level of interest rates and changes in rates can affect our programs, especially the Public Debt and Federal Reserve workload in our Direct-Access Program. Our experience has shown that increases in interest rates generally result in increased consumer awareness of investment alternatives and then an increase in investments held with Treasury. The converse, however, is not true. When interest rates fall, many of our investors stay with us.

Financial market events that cause investors concern about the safety of their savings and investments can also affect Public Debt programs. Both our Direct-Access and Savings Securities programs are attractive to investors because their investments are held directly with Treasury. In periods of market uncertainty or following publicity about financial institution soundness, our workload can increase dramatically as investors not only seek quality instruments, such as Treasury securities, but also become more selective in choosing where to hold their securities.

With one exception, we are permitted to borrow what is necessary to operate the Federal Government. The exception is the statutory debt limit, which specifies a maximum amount for the public debt. Periodically, the limit has been increased by Congress to permit necessary borrowing and the continued funding of government operations. If this increase does not occur timely, our financing operations can be substantially disrupted.

The existence of a budget deficit or surplus environment can affect the level and types of financial operations that we perform. When the Federal budget is in a deficit, the number of securities offerings (auctions) tends to increase, as does the amount of money borrowed per offering. A budget surplus, on the other hand, tends to cause a reduction in the number of securities offerings and their offering amounts. Surpluses also may result in the elimination of securities of particular maturities. In addition, budget surpluses can create the opportunity to buy back outstanding debt. These buybacks enhance Treasury market liquidity, and can allow greater control over the maturity structure of the outstanding debt and absorb excess cash when tax revenues exceed spending needs.

OUR USE OF PROGRAM EVALUATIONS

A number of ongoing and one-time program evaluations have influenced the directions and objectives in this strategic plan. The more significant evaluations are briefly described.

Long-Range Planning: The most important ongoing program evaluation in use by Public Debt is our long-range planning process. This process, in use since 1980, consists of both a formal annual planning effort and the continuous examination of program performance and direction throughout the year. The key to the effectiveness of this evaluation program is that top Public Debt managers operate as part of a collaborative and participative planning team. Public Debt has a focused mission and is small enough that all significant program directions and objectives can be effectively integrated into a single, understandable plan for the future that establishes priorities and program expectations for the entire organization.

Savings Bond Cost-Effectiveness: Public Debt is responsible for all of the costs associated with the U.S. Savings Bond Program. The financing benefits from the program exist primarily because Treasury can borrow at lower cost than through the sale of marketable securities. Ongoing evaluation shows that the program saves Treasury millions for every billion dollars of savings bonds sold. To maintain this cost-effective program, it's important that Public Debt continue to keep administrative costs as low as possible. This objective is a priority in our strategic and annual planning.

Customer Surveys: We serve more than 60 million customers through our Savings Securities and Direct-Access programs. Every three years we formally survey selected *TreasuryDirect* customers and savings bond purchasers to gauge their level of satisfaction with our products and performance as well as to measure their interest in new services. From the outset of our formal survey program and consistently thereafter, customers have expressed a high level of satisfaction. These surveys have helped us plan for the future, determine the services we should provide, and set priorities. We also routinely request and receive informal feedback from our customers, who are not reluctant to share their ideas. Even though this information is less structured, it is in some ways more valuable since it frequently targets specific product features or detailed elements of our service. As the number of people who are “wired” continues to explode, our Web site will figure even more prominently as an effective survey tool.

Financial Statement Audits: The most visible ongoing evaluations of Public Debt operations are the annual financial statement audits conducted by independent auditors. These audits are required as a part of legislative reforms to promote greater accountability in managing finances of the Federal Government. Receiving unqualified opinions on these statements not only confirms that Public Debt operations are well-controlled, reliable, and effective, but also goes a

long way to instill confidence with investors and taxpayers of this country.

Audits of four significant financial statements evaluate the soundness of our debt accounting operations. First, the Schedule of Federal Debt presents the more than \$5.7 trillion of Federal Debt. It represents the single largest liability on the Federal Government's books. Second, the Schedule of Loans Receivable presents the more than \$180 billion used to fund various Federal credit programs such as student loans and low-income housing. Third, the Federal Investment Program presents the more than \$2 trillion held in investment funds such as Social Security, Medicare, Unemployment, and Highway. Fourth, Trust Funds Managed by Treasury presents more than \$1 trillion held by 15 trust funds. We've received unqualified opinions on each of these audits since their inception in FY 1997.

Savings Bonds Marketing: We regularly evaluate the effectiveness of our savings bonds marketing program and, as appropriate, request private sector firms to assist us. In 1999, we contracted for the services of marketing strategy consultants who are expert in the field of integrated marketing communications to recommend a five-year marketing strategy. The consultants' work was beneficial and has provided a foundation for our future marketing program.

TreasuryDirect Consolidation: In April 1999, we completed a two-phase study of the *TreasuryDirect* program. The purpose of the study was to define the environment for the future and to recommend the optimum number and location of Reserve Bank sites where *TreasuryDirect* functions should be performed. The study recommended that operations be consolidated to three regional processing sites located at the Federal Reserve Banks in Boston, Minneapolis, and Dallas. Each site will include a modern call-center facility accessible by one toll-free telephone number, access to a variety of electronic services, and a "back-room" facility for servicing mail transactions. The consolidation began in August 1999. By December 2000, all Federal Reserve *TreasuryDirect* business will be located in one of the three new offices.

State and Local Government Series Securities Program

Improvements: Public Debt is responsible for the day-to-day operations of the State and Local Government Series (SLGS) securities program. This program provides a means for state and local governments to refinance and invest proceeds of tax-exempt bonds. Working with the Department and SLGS market participants over the last few years, we evaluated the program's effectiveness for the government and its attractiveness to our customers. As a result of this evaluation, program modifications were made to enhance flexibility and reduce costs for market participants. A new securities system was also implemented to improve service.

Government Securities Act Effectiveness: Public Debt has responsibility for the ongoing administration and maintenance of the regulations issued pursuant to the Government Securities Act of 1986 (GSA). In 1990, the Treasury, together with the Securities and Exchange Commission and the Board of Governors of the Federal Reserve System, conducted a Congressionally mandated study of the

effectiveness of the GSA regulations. The results of this study, and an independent review by the General Accounting Office, concluded that the implementation of the GSA regulations met the objectives established by Congress and improved and strengthened investor safety in the market. As a result of our effective and balanced regulation of the government securities market, the Treasury's rule-making authority was made permanent in 1993. In 1998, Treasury, the Securities and Exchange Commission, and the Board of Governors of the Federal Reserve System submitted to Congress their Joint Study on the Regulatory System for Government Securities. The results of the study concluded that the government securities market is functioning smoothly and no additional rule-making authority under the Government Securities Act, as amended, is required.

PROGRAM DIRECTIONS

This section describes the future directions and areas of emphasis for our eight securities and accounting programs. It also discusses several initiatives that cut across our programs and fundamentally affect the way Public Debt does business.

Cross-Cutting Initiatives

For some time, Public Debt has used strategic planning as a means of examining its relationship with investors and savers who purchase Treasury securities. In July 1999, Public Debt decided to move toward an “umbrella” marketing strategy that creates a common positioning for Treasury’s retail products and enables us to build and maintain direct relationships with our customers. Key to this new strategy is a reorientation of our thinking from product lines to customers. This new customer focus is a significant departure in the way Public Debt views its business and has produced several initiatives that span the organization rather than fall into one single program.

Our strategic direction is to:

- Create a customer service-oriented organization.
- Develop a single retail system.
- Take a fresh approach to marketing.
- Improve our ability to authenticate customers electronically.

Create a customer service-oriented organization. To support the concept of a customer service-oriented organization, Public Debt is reorganizing its offices currently devoted to savings securities and direct-access marketable securities. The intent behind this decision is to change our focus from products to customers. This will position us to manage programs more consistently, present a more uniform look to the public, and take an enterprise-wide approach to systems development. To achieve this goal, retail customer services will be combined into a single office, and securities operations that do not involve direct contact with customers will be combined into a separate office.

Develop a single retail system. The single retail system will allow holders of Treasury securities, from savings bonds to direct-access marketables, to access a wide range of information and services through a single consolidated Internet interface. It will be a collection of processes composed of new components and legacy applications that will be knit together with a variety of information technologies and through a series of progressive releases. Over time, back-end systems will be reengineered to support new securities offerings, such as book-entry savings bonds. The single retail system will greatly extend Public Debt’s commitment to high-quality customer service and reflects our intention to creatively use Internet technologies for improving citizens’ access to their government.

Take a fresh approach to marketing. Public Debt is redefining its approach to marketing savings bonds and its other retail securities. We will begin to use an integrated marketing communications strategy that

relies more heavily on publicity, promotion, and advertising. The strategy will be designed around careful market segmentation based on structured market research. The strategy will introduce some new elements including: strong public relations campaigns planned and executed with the assistance of an external public relations agency; targeted paid advertising designed to reach high-potential market segments; messages created to reach identified targeted audiences; a much-reduced public service advertising program; an improved capability to conduct market research and evaluate results; and a sales promotion staff working in new and more specialized ways with employers, financial institutions, the media, and private and public sector partners.

Improve our ability to authenticate customers electronically. An important element in Public Debt's move to a more customer-oriented environment—one that cuts across multiple programs—is to offer more information and services electronically over the Internet. A number of services are already offered to customers with whom we have existing relationships, but our ability to provide new services has plateaued until we can develop and implement standards for customer authentication that strike an appropriate balance between the need for security and convenient customer access. As we look for opportunities to expand online access to our systems, our general approach will be to provide a secure electronic environment for as many services as technology and prudent risk management will allow.

Commercial Book-Entry Securities Direction

Public Debt's commercial book-entry program (CBE) ensures that Treasury's critical financing needs are met and that the integrity and efficiency of primary and secondary markets for Treasury securities are maintained. It includes all Public Debt, Federal Reserve Bank (FRB), and private sector activities related to the auction, issue, and buyback of marketable Treasury securities. The CBE program also includes regulating, servicing, and accounting for marketable Treasury securities held in the commercial book-entry system.

As a result of projected budget surpluses, we expect Treasury's borrowing needs to continue to decline. To ensure that the Treasury security markets remain liquid and efficient, Treasury will need to use a variety of financing techniques. Treasury will perfect and continue to use the newly implemented buyback program. In addition, we will continue to manage the declining debt by refunding our regularly maturing debt with smaller amounts of new debt and by reducing the number and types of securities issued. With Treasury innovatively managing its changing borrowing requirements, we must continue to work closely with the Federal Reserve to ensure that we develop more flexible processes and systems to quickly respond to this changing financing environment.

Our strategic direction is to:

- Maintain flawless operations and minimize the time it takes to accomplish critical activities.
- Take advantage of opportunities to reduce costs.
- Improve the flexibility and accessibility of our automated systems.
- Actively promote compliance with our rules.
- Strengthen customer relationships.

Maintain flawless operations and minimize the time it takes to accomplish critical activities. Our most important goal is to maintain precision and accuracy in two areas:

Auction and debt buyback operations, and
Payments made through the National Book-Entry System (NBES).

Treasury's investors and the world financial markets rely on our ability to quickly produce results that are 100 percent accurate. By consistently producing accurate and timely results, Treasury securities maintain a premier status in the financial marketplace. This gives us the ability to borrow money at the lowest possible rates. We continue to look for ways to reduce the period between the time that auction bids and buyback offers are submitted and when the results are released. Shortening this period of uncertainty will ensure that we continue to receive or pay the best prices for our securities.

Take advantage of opportunities to reduce costs. We have been very successful in working with the Federal Reserve Banks in reducing costs. We will use browser-based applications and other new technologies that offer more flexibility while making it easier and less costly for our customers to participate in our financing and book-entry operations. We will consolidate tender processing from four to two sites, one located at the Federal Reserve Bank of New York and the other at Public Debt's Office of Financing. We will continue to work with the Federal Reserve System to identify additional book-entry operations and processes that can be consolidated or streamlined. By further reducing our NBES costs, we can continue to decrease the fees that we charge our customers.

Improve the flexibility and accessibility of our automated systems. In our efforts to achieve greater efficiency and provide better customer service, we will continue to improve the automated systems that support our financing and book-entry securities operations. We will reengineer the entire auction and buyback processes. This includes the redesign of Treasury's Automated Auction Processing System and its subsystems. We also will work with other Public Debt, Treasury, and Federal Reserve offices to integrate information that now resides in several locations into one comprehensive auction database. Using browser-based technology and user-friendly query tools, we will make auction information readily available for research and analysis.

We will continue working closely with the Federal Reserve to further enhance NBES and provide additional services requested by our customers. We plan to move to an open communication architecture that uses browser-based access. These planned enhancements will allow us to achieve our goal of having all NBES customers process transactions and receive information online.

Actively promote compliance with our rules. To ensure compliance with our rules and fair and uniform treatment of our investors, we will continue to ensure that our rules are clear and comprehensive. We will continue to monitor compliance with our auction rules and foster a climate that encourages compliance and self-reporting of violations through investor education.

Strengthen customer relationships. With the continuing changes in Treasury's financing requirements, our investors' needs, and technology, it is important that we strengthen our direct working relationships with the financial community, industry groups, and market representatives. We will accomplish this through one-on-one meetings with our customers and continued participation in industry meetings, conferences, and associations. This will improve our ability to provide our customers with additional services and ensure the integrity and soundness of Treasury's financing operations. We also will continue to monitor and provide input to policy and legislative initiatives that affect the government securities market and the commercial book-entry program.

Direct-Access Securities Direction

This program encompasses Public Debt, FRB, and private sector activities related to establishing and maintaining book-entry accounts of marketable Treasury securities in *TreasuryDirect*. It also includes servicing and redeeming definitive marketable Treasury notes and bonds. *TreasuryDirect* is an automated book-entry system for Treasury bill, note, and bond accounts that serves as Public Debt's primary system for providing efficient direct-access securities services. The program also provides an alternative to the commercial book-entry system for investors who wish to hold bills, notes, and bonds directly with Treasury. The direct-access investment option is valuable to investors and to the Federal Government.

Our strategic direction is to:

- Enable and encourage customer self-sufficiency.
- Provide reliable, personal customer service.
- Increase investor awareness.

Enable and encourage customer self-sufficiency. We will offer electronic services to our customers as they look for more control in conducting their financial business. Using the Internet, *TreasuryDirect* customers can access account information, purchase and reinvest securities, change address and telephone numbers, request duplicate IRS 1099-INTs, get Statements of Account, and order and download forms. *TreasuryDirect* customers without Internet access can use our toll-free automated telephone number to access most of these same services and to pay their account maintenance fee, if applicable. Rather than writing a letter or calling a customer service representative during regular working hours, investors activate these services when it is convenient for them.

Our direction is to increase customer use and acceptance, expand the availability, and increase the number of services available electronically. Specifically, one of our goals is to have 80 percent of all securities purchases processed and routine maintenance transactions submitted and confirmed electronically by 2003.

Provide reliable, personal customer service. Despite the convenience of electronic services, there are simply times when our *TreasuryDirect* investors need to talk to someone. To meet this need for personal service, as well as to reduce costs, we are consolidating our 37 *TreasuryDirect* servicing sites into three sophisticated customer contact centers. The centers are located at the Federal Reserve Banks in Boston, Minneapolis, and Dallas and are linked together to provide expanded hours of consistent customer service nationwide. In support of our customer self-sufficiency direction, our customer service representatives will assist and encourage *TreasuryDirect* investors to try out our electronic services.

Increase investor awareness. *TreasuryDirect* is an important Treasury program because it provides an alternative to the commercial book-entry system. Individuals planning their financial strategy can make more informed investment decisions when they know about *TreasuryDirect*. We plan to increase investor awareness of this alternative through a variety of marketing and educational activities.

Savings Securities Direction

The Savings Securities Program includes all Public Debt, Federal Reserve Bank, and agent activities involved in marketing, issuing, servicing, and redeeming savings bonds. Savings bonds play a unique and important role in Treasury's debt financing and support the goal to increase personal savings in the United States. The program provides more than 50 million people with a safe, convenient savings mechanism and routinely saves the Federal Government millions of dollars in borrowing costs.

Our strategic vision is to:

- Provide a flexible infrastructure for savings bonds.
- Enhance electronic customer services.
- Reduce the burden on issuing/paying agents and payroll companies.
- Support the Federal Reserve in its system redesign efforts.

Provide a flexible infrastructure for savings bonds. Expanding our vision beyond the current paper-based savings bond program, we are making the operational preparations for possible implementation of a book-entry alternative to the existing Series EE and Series I bonds. Such a book-entry alternative presents us with an opportunity to offer a product held in fully automated accounts accessed electronically. We believe we can enhance the appeal of savings bonds by offering an online system for customers to purchase and redeem securities through ACH (automated clearinghouse), view records of their holdings and interest earnings, and service their own accounts. We assume that book-entry will eventually replace the current savings bond offerings, but it will be a lengthy transition. Until definitive paper bonds are withdrawn, both book-entry and definitive securities would be available. In the long run, we believe that book-entry can reduce administrative costs while remaining a cost-effective means of borrowing.

Enhance electronic customer services. Technology continues to change the way we do business. We view our Internet site as the official source for all savings bond information and will ensure that it contains

a full range of up-to-date information on security offerings, governing regulations, transaction forms, pricing tools, and matured unredeemed bonds. The site offers not only information but also several electronic services, which we'll continue to enhance and build upon. Customers can purchase bonds online 24 hours a day, 7 days a week at *Savings Bonds Direct*. They can also access and update their current income bond accounts using our HH/H Internet Services. The *Savings Bond Calculator* allows customers to price their savings bonds online and maintain an inventory of their bonds.

We plan to take full advantage of Internet technologies to enable customers to better manage their holdings and conduct transactions. To enhance the services already available, we will include additional payment mechanisms in *Savings Bonds Direct*, and we will give customers online access to check for matured unredeemed holdings, undeliverable bonds, and held HH/H interest payments.

Reduce the burden on issuing and paying agents and payroll companies. Public Debt relies heavily on its network of financial institutions and payroll companies to sell and redeem bonds and to provide important front-line services to customers. We will use technology to improve the efficiency of our systems and to reduce the burden on this support network. To ease the burden, we will seek additional channels for selling bonds and will continue to offer and expand our automated purchase options. These options include initiatives like home banking (online bond purchases through financial institutions), *EasySaver* (which allows recurring purchases via debit to a bank account), and *Savings Bonds Direct* (which allows online purchase directly from Public Debt). We will actively promote our new automated pricing tool, *BondPro*, to help agents redeem bonds. In addition, we will increase the electronic distribution of redemption values in lieu of paper tables.

Support the Federal Reserve in its system redesign efforts. We will support the Federal Reserve's efforts to redesign its savings bond systems, deploy a Web-based application for over-the-counter sales by agents, and initiate Internet transmission of savings bond sales data. As these efforts progress, we will continue to exercise our responsibility for evaluating where Public Debt's work can best be performed. When appropriate, we will delegate additional authority to the Federal Reserve to process a greater variety of cases or larger dollar amounts. We do not, however, have a goal of shifting work to the Federal Reserve unless there are meaningful business or customer service reasons for doing so.

Government Securities Market Regulation Direction

The Government Securities Market Regulation program implements Treasury's regulatory authority over the government securities market. This market is essential for Treasury to finance the public debt. Our goal is to achieve a balance in regulation that maintains market integrity, liquidity, and efficiency while, at the same, protects investors. This program also establishes the rules under which Treasury auctions and buys back its debt. Another area of responsibility involves Treasury's collateral programs: determining the eligibility and valuation of collateral used to secure certain government deposits, investments, and other public monies on deposit at depository institutions. To effectively administer this range of regulatory responsibility, we work closely with other Treasury offices, regulatory agencies, and market associations.

Our strategic direction is to:

- Ensure that our regulations evolve and remain viable as the market implements new and expanded electronic services, moves to shorter settlement periods, and introduces new pricing conventions.
- Support and advise the Treasury Department in developing positions on evolving financial market issues.
- Identify new sources of collateral to replace the declining supply of Treasury securities.

Ensure that our regulations evolve and remain viable as the market implements new and expanded electronic services, moves to shorter settlement periods, and introduces new pricing conventions. Driven primarily by technological advances, the securities markets are undergoing dramatic change. Automation has led to alternative electronic trading systems that compete effectively with the major equities trading exchanges. Electronic trading by individual investors is another significant but relatively new phenomenon. Electronic trading is also becoming more common in the fixed-income markets, including the government securities market. Automation is also enabling the securities industry generally to move toward much faster settlement of securities trades similar to the timeframes currently in place in the government securities market. Planning is already underway to replace this ambitious settlement standard with instantaneous settlement, commonly referred to as straight-through processing. Given this fast-changing environment, we will be challenged to ensure that the regulations we administer remain relevant and effective.

We will monitor the expansion of electronic trading in the government securities market. In particular, we will evaluate the accessibility and reliability of electronic trading systems. We (along with other securities regulators) are exploring how the industry might use electronic signatures and electronic confirmations of transactions without adversely affecting customer protection.

Another specific focus for us will be the adoption of decimals instead of fractions as the market convention for securities pricing. This introduction of smaller pricing increments is likely to lead to significantly higher trading volumes. We will monitor the implementation of this change to determine the effect on the government securities market.

Support and advise the Treasury Department in developing positions on evolving financial market issues. We are increasingly being called upon by the Department to provide analysis and advice on a wide variety of financial market issues beyond those directly related to our regulatory responsibilities. For example, we have assisted the Department on the evaluation of securities products that were once considered exotic, such as asset-backed securities and complex derivatives. We welcome this opportunity to participate in the formulation of debt financing policy and, to continue to add value, we will sharpen our capability to understand and analyze market developments.

Identify new sources of collateral to replace the declining supply of Treasury securities. In the normal course of collecting government receipts and investing excess cash in the short-term, public monies are placed with depository institutions. To protect the government in the event that one of these institutions should fail, Treasury requires that the deposits be secured through the pledge of appropriate collateral. Treasury securities as well as many others can be pledged. As the issuance of new Treasury securities declines and other debt markets expand and evolve, we will work to identify suitable new collateral instruments that will continue to protect the Government.

Special Purpose Securities Direction

The Special Purpose Securities Program offers securities services to investors having unique financing needs. Such investors include state and local governments, Federal agencies, and government-sponsored corporate agencies. This program consists of a wide variety of instruments, such as the State and Local Government Series securities, Tax and Loss Bonds, and Federal Housing Administration (FHA) debentures. These instruments carry diverse legal and operational requirements. Our primary focus for this program is the State and Local Government Series (SLGS) securities, by far the predominant security in the program.

Our strategic direction is to:

- Encourage all SLGS customers to conduct their transactions electronically.
- Enhance SLGS accounting integration and reporting.

Encourage all SLGS customers to conduct their transactions electronically. As a result of developing a new Special Purpose Securities System (SPSS), we are extraordinarily well-positioned to provide our SLGS customers with unprecedented access to and control over their investments. We are now able to offer these customers a secure means of conducting their transactions and accessing their account information online. Over the next several years, we plan to work closely with our customers to transition them to this new investment management environment. Our goal is to complete this transition by 2003.

Enhance SLGS accounting integration and reporting. To date, our automation attention with the Special Purpose Securities System has been focused on our SLGS customers. Going forward, we will expand the system's capabilities so that we, and other Treasury offices, will be rewarded with additional benefits.

The next steps will be to improve the quality and timeliness of SPSS management information. Specifically, we will enhance the system to interface directly with our primary debt accounting system. This integration will eliminate the need to manually report accounting information and reduce the potential for errors. We will also implement another automated interface—the submission of daily cash flow information to Treasury’s Office of Cash and Debt Management . This office will also be provided direct access to SPSS to more quickly obtain information to assist in cash forecasting.

Public Debt Accounting Direction

This program includes accounting for and reporting on all financial activity related to the Public Debt of the United States. The program provides accounting controls for funds received from the sale of securities, for funds disbursed as interest and principal payments, and for the accurate and timely reporting of debt financing operations in compliance with all requirements. The Public Debt Accounting program also provides accounting policy direction to the subsidiary securities systems that feed the summary level accounting data on the public debt. The program has also expanded to encompass the accounting responsibility for loans from Treasury to Federal Program Agencies to support various Federal credit programs, such as student loans.

The Chief Financial Officers Act of 1990 and other related legislation have significantly changed this program. After years of quietly accounting for the Nation’s debt, the requirement to prepare financial statements and have them audited has increased the visibility of our debt accounting program. Our perspective on accounting issues is now similar to our counterparts in the private sector. The readers of our financial statements represent a collection of interested parties beyond Treasury that we must work with closely. We have established the highest standards for our accounting operations and we have an important external measure of our success—the clean audit. Fiscal Year 1999 marked the third consecutive year in which our financial statements received an unqualified opinion.

Our strategic direction is to:

- Simplify and enhance the presentation of the Federal debt in annual financial statements.
- Actively participate in the development of Federal debt accounting standards.
- Automate the accounting for Treasury’s loans receivable program.

Simplify and enhance the presentation of the Federal debt in annual financial statements. It is a complex challenge to accurately produce financial statements that represent the government’s debt and contain the largest liability in the consolidated financial statement of the United States. We have been successful in achieving an accurate presentation. Now, we turn our attention to making our statements more useful for all readers. To that end, we will work with the General Accounting Office, Office of Inspector General, Office of Management and Budget, and Treasury offices to simplify and enhance the financial statements containing Federal debt information.

Actively participate in the development of Federal debt accounting standards. Because of our singular role involving the Federal debt, we are directly affected by accounting standards and uniquely positioned to assist in their creation and revision. We will identify opportunities to bring our expertise to bear in this standards arena. Specifically, we will continue to actively participate in the standards development of the Federal Accounting Standards Advisory Board directly through committee participation and also through Treasury's FASAB representative.

Automate the accounting for Treasury's loans receivable program. Various Federal agencies, to fund their lending programs, must first borrow from Treasury. These programs include loans for education, housing, and small businesses. In this context, more than six dozen Federal agencies such as the Department of Education, the Department of Housing and Urban Development, and the Small Business Administration are our customers. We intend to improve our own operation and the service that we provide our customers by automating this loans receivable process. Our new system will increase accounting controls, automate a myriad of interest calculations, and offer the agencies direct Web-based access to their loan information.

Government Account Series Securities Direction

The Government Account Series (GAS) program offers securities investment services to Federal Government agencies that are either authorized or required to invest specific fund account balances. These funds are called Investment Funds. Generally, the sources of the monies for investment are tax revenues, fees, and assessments collected for a specific purpose other than general operations. The legislation that establishes these Investment Funds specifies how they are to be invested. With few exceptions, the investments must be in GAS securities, which are non-marketable U.S. Treasury securities available exclusively to these Funds.

In addition to the investment services, the GAS program also provides accounting services to Investment Funds for which the Secretary of the Treasury is the managing trustee. These Funds include some of the largest, such as Social Security, Highway, and Unemployment. We must continue to work closely with the agencies that have programmatic responsibility for the uses of the Funds to ensure that the accounting services we provide adequately meet their needs.

The key to high-quality service for our customer agencies is clarity of responsibilities and effective automation. Good progress has been made. With the ongoing documentation of statutory authorities and with the implementation of a new GAS investment system, we are well on the road to these objectives. However, we still have some important distance to cover. Our future directions will take us the rest of the way.

Our strategic direction is to:

- Define, clarify, and document roles and responsibilities.
- Pursue standard legislative language for GAS investments.
- Codify Treasury GAS investment policies.
- Encourage our agency customers to access their investment accounts on-line.

Define, clarify, and document roles and responsibilities. Because so many parties are involved in GAS-related activities, a prime element for program success is clarity of roles. This is especially true for the Investment Funds for which we also provide accounting services. The achievement of “perfect understanding” is not possible but must be continuously sought. We will proactively work to achieve the best possible understanding of responsibilities within Treasury and between Treasury and the various program agencies.

Specifically, with respect to our managed Funds, we will work with the agencies’ program officials, their Inspectors General, and independent auditors to ensure that audits are properly located and focused. Also, we will make every effort to clearly and accurately represent the underlying purpose and appropriate use of the financial information that we provide to the agencies.

Simultaneous with our efforts to define roles, we will explore alternatives to strengthen and improve Treasury’s general oversight of Investment Fund operations. We will work closely with the program agencies to learn more about how their programs interact with GAS investments and how we might provide additional monitoring to assist them with their Fund management responsibilities.

Pursue standard legislative language for GAS investments. Currently, the GAS program involves about 215 funds and more than 80 Federal agencies. Each of these funds has its own authorizing legislation that establishes the terms and conditions under which the agencies invest in GAS securities and, therefore, the process we must follow to handle their investments. The differences in these various pieces of legislation create a complex set of investment rules that are time-consuming to document and precisely apply. Since assuming responsibility for the GAS program in late 1996, we have had some success in influencing legislation and promoting uniform investment methods for new funds. With this direction, we commit to continuing our efforts to standardize investment authority language. Along with other Treasury offices, we will review and comment on draft legislation for new funds and actively support any broader legislative proposal that would mandate consistency.

Codify Treasury GAS investment policies. Because of the variations in GAS investment legislation, clear, easy-to-follow, and up-to-date documentation is essential. The quality of our documentation is directly related to the quality of investment service that we provide. Working with other Treasury offices and program agencies, we will be strong advocates for following established policies, carefully documenting changes in policy, and ensuring that all parties understand investment rationale.

Encourage our agency customers to access their investment accounts online. We have implemented an integrated investment accounting system that replaces three outdated legacy systems used to maintain GAS investments. The new system eliminates reconciliation between systems, significantly increases internal accounting controls, and positions us to offer a number of new services to the investing agencies. We plan to offer ad hoc reporting customized for each agency, portfolio analysis, and the capability to rely on our system to account

for the asset side of GAS investments. In addition to these direct customer benefits, immediate access to this information can contribute to more accurate representation of inter-agency transactions in the government's consolidated financial statement.

Franchise Administrative Services Direction

This program provides a variety of reimbursable administrative services to other Federal Government entities. These services are provided through Public Debt's Administrative Resource Center (ARC) operating as a member of the Department of Treasury's Franchise Fund. The Franchise Fund was established to foster entrepreneurial government activities. As a Fund member, ARC does not receive a direct appropriation but instead relies on fees for service to fund all of its operations.

While ARC provides a wide variety of reimbursable administrative services, its largest business line is accounting services followed by personnel and procurement services. The number of franchise customers and the resulting revenue has steadily increased since the inception of this program in FY 1997.

Our strategic direction is to:

- Manage growth while maintaining quality services for all customers.

Manage growth while maintaining quality services for all customers. Public Debt supports the concept of franchising and the growth of this program. Balancing the desire to increase the number of customers with the need to maintain high quality services will continue to be the major management challenge in the franchising environment. We will regularly ask customers to assess the quality of the administrative services being provided and use this feedback to plan growth.

We recognize that ARC's continued growth will be primarily dependent on the availability of a highly motivated staff with a strong customer service orientation. ARC will use a variety of employment programs to ensure the continued intake of highly qualified employees committed to providing outstanding customer service. Customer access to our automated systems through the Internet or the Treasury Communication System also is important to ARC's continued success. We will take the necessary steps to stay abreast of technology and continue to provide customers with easy-to-use and easy-to-access electronic administrative systems.

OUR APPROACH TO MANAGEMENT

The Fundamentals

Providing quality performance and service is critical to the successful accomplishment of our mission. We will foster an atmosphere of quality awareness that encourages all employees not to accept things as they are but to look for ways to improve accuracy, timeliness, and customer service. We also expect employees to look for ways to cut costs and improve productivity. Such efficiencies are important to Public Debt and must be actively pursued. However, our ability to accomplish our primary program responsibilities will not be sacrificed in our pursuit of savings.

Integrity is an important element of government service and is particularly important to Public Debt because of the financial nature of our mission and the confidentiality of our investor information. Public Debt values integrity in its employees and expects each employee to meet the highest standards of ethical conduct.

Public Debt is managed informally and with the expectation that communication throughout the organization will be open, informal, and candid; that delegations of authority will be made to the lowest practicable levels; and that efforts will be made to reach consensus in decision-making and in establishing program direction.

We will ensure that this informal and candid approach to doing business extends to our general relationship and individual dealings with the National Treasury Employees Union (NTEU). We recognize that working in partnership with NTEU is important to the efficient accomplishment of our mission. We will involve NTEU in the identification of problems and implementation of solutions to better enable us to accomplish our long-term initiatives and achieve our performance goals. Public Debt managers are expected to deal with NTEU openly and without undue formality, to involve NTEU early in matters of mutual interest, and to actively promote a climate of shared information, mutual trust, and cooperation.

We expect our managers to understand their operations and systems and how they relate to our overall mission. We expect their understanding to be sufficient to allow them to have a constant and accurate sense of the “health” of their operations, to be able to effectively explain their operations to others, and to personally provide direction and leadership for their programs.

How We Plan

Public Debt uses strategic planning as a structured and consistent way of setting directions and establishing priorities. Our planning forms the basis for subsequent management decisions and is a test for new initiatives, since a very important criterion is the degree to which a new idea supports the plan. Public Debt’s planning team, which is comprised of senior program officials, develops the strategic and annual performance plans as part of an ongoing planning and program evaluation process. Public Debt managers are expected to use this plan in the overall direction of their day-to-day activities and to contribute to the accomplishment of our objectives whether or not they have direct responsibilities for accomplishing specific initiatives in the plan.

The Federal Reserve Connection

The Federal Reserve, as our fiscal agent, is a necessary and integral element in the accomplishment of our mission. Public Debt will continue to make effective use of the Federal Reserve's capabilities in accomplishing our responsibilities to individual and institutional investors in Treasury securities.

While our relationship with Federal Reserve Banks is technically one of principal and agent, it is in practice a dynamic, accommodating arrangement based on communication, trust, and common goals. This long-standing relationship, together with the Federal Reserve System's association with financial institutions and its unique set of responsibilities for open market operations, provides the Federal Government with continuous market contact and significant operational flexibility in administering the public debt.

We will maintain an active, executive linkage with the Federal Reserve Board of Governors, Reserve Bank Officers, and appropriate System organizations to assist us in deciding policy issues, providing program direction, resolving problems, and exploring new ideas. We will continue to involve the Federal Reserve at an early stage on significant issues of mutual concern and expect the Federal Reserve to reciprocate.

Through our oversight program, we will provide the Federal Reserve Banks with standards for quality and expectations for performance, determine appropriate reporting requirements, and monitor results achieved, costs, and productivity. In doing so, we will recognize the value of the collaborative relationship, respect the individual responsibilities of the Banks, and preserve their flexibility in managing ongoing, day-to-day operations. We will continue to furnish the Federal Reserve Banks with effective and useful feedback concerning operational performance and the quality of securities and debt accounting data provided to us.

Public Debt is responsible for the work that Banks perform on our behalf and, therefore, is accountable for the costs they incur. Accordingly, we intend to maintain our ability to validate the accuracy and allocation of Federal Reserve costs. We support the principle of reimbursing the Federal Reserve Banks for all costs of activities conducted as fiscal agents. We will reimburse the Banks to the extent authorized and we will report to Congress the full costs incurred of administering the public debt, including Federal Reserve services. Public Debt decisions regarding the work that we request the Banks to do will continue to be based on our assessment of where work can best be performed. We are committed to having the work done where it can be done most effectively and will try to achieve a balance between efficiency and customer service. Our intent is to direct Banks to perform work for us only when such work is, in our view, clearly appropriate for a fiscal agent.

Our Commitment to Customer Service

Public Debt has a wide variety of customers. We provide service to individual investors in savings bonds and *TreasuryDirect* as well as large institutional investors in marketable securities. Other customers include regulated brokers and dealers in government securities, Federal agencies, state and local governments, and a diverse array of market participants and others who rely on our public debt accounting

information. We are committed to determining the priorities and expectations of our customers and providing them with the best service possible.

We recognize the importance of our customers to the success of our programs and the accomplishment of our mission. We will, therefore, communicate directly with our customers to understand their expectations and to assess their satisfaction with our performance. Customer service standards have been established for our *TreasuryDirect* customers and over-the-counter savings bond purchasers, and we periodically survey our customers.

Public Debt will continue to strive to achieve the proper balance between the range of services provided to our customers and the costs of providing those services. Where necessary, in attempting to achieve this balance, we will choose to limit the variety of services offered rather than reduce the quality of service provided.

Managing Information Technology

Public Debt will promote a service-oriented information technology program that is an integral part of our operations and management. Efficient accomplishment of mission requirements should drive our use of technology. To that end, we intend to keep abreast of technological developments and to use new technology as appropriate to accomplish our goals.

While we recognize that technology must serve our businesses, we also recognize that information technology can be an effective catalyst for business process reengineering. We think this is an appropriate role for IT and will look for opportunities where our automation efforts can drive operational improvements.

Public Debt will continue to operate a computer center in Parkersburg, WV, along with a network of smaller computers distributed throughout Public Debt offices. We will also maintain a data processing environment that remains compatible with the Federal Reserve System's environment and that is directly connected to the Federal Reserve communications network. We will take advantage of opportunities to use this compatibility and communications connection to optimize the exchange of data, to facilitate the sharing of information, and to permit employees in both the Federal Reserve and Public Debt to interact with shared applications in either organization. To accomplish these goals efficiently, we will remain aware of Federal Reserve information technology and information management plans.

The information that Public Debt maintains is a valuable resource and, in many cases, sensitive. Protecting this resource is critical. We will continue to take necessary security measures to safeguard our data, protect its confidentiality, and ensure that our systems are available and reliable.

Our Employees Are the Key

The talent, expertise, and dedication of our employees make them Public Debt's most valuable asset. We have high expectations of all our employees and recognize the value of their contributions. We will be sensitive to employee concerns and expectations and manage in a manner that will support recruitment and enhance retention, productivity, and morale. Our employees will be treated with openness and respect; trained to handle the great variety of functions we perform; authorized to meet the needs of our customers; and rewarded for initiating innovative methods to improve service or reduce costs. We will keep employees fully informed and work closely with them to accomplish our program and performance goals and to meet the challenges outlined in this plan.

Appendix A

Summary table depicting the linkage of Treasury's strategic goals and objectives and Public Debt's strategic goals and objectives

Treasury Goals and Objectives	BPD Goals and Objectives
<p>Goal: Cost-Effectively Finance the Government's Operations</p>	<p>Goal: Effectively Finance Government Operations</p> <p>Objective:</p> <ul style="list-style-type: none"> • Borrow what is necessary to meet the monetary needs of the Government. • Minimize the cost of borrowing to the Federal Government • Provide for participation by a wide range of investors in Treasury debt financing. • Provide accurate and timely public debt accounting information. <p>Goal: Fulfill Customer Expectations</p> <p>Objective:</p> <ul style="list-style-type: none"> • Provide quality customer service and transaction processing for investors in Treasury securities. • Provide accurate and timely payments to investors in Treasury securities.
<p>Goal: Manage the Federal Government's Accounts</p> <p>Objective:</p> <ul style="list-style-type: none"> • Ensure that the government's cash management minimizes risk and provides immediate flow and balance information. • Provide accurate and timely information on the government's financial status and support the government-wide implementation of accounting standards. 	<p>Goal: Effectively Finance Government Operations</p> <p>Objective:</p> <ul style="list-style-type: none"> • Borrow what is necessary to meet the monetary needs of the Government. • Minimize the cost of borrowing to the Federal Government. • Provide for participation by a wide range of investors in Treasury debt financing. • Provide accurate and timely public debt accounting information.

Appendix B

Summary table depicting the linkage of Public Debt's strategic goals and objectives and performance goals and measures

Strategic Goals and Objectives	Performance Goals and Measures
<p>Goal: Effectively Finance Government Operations</p> <p>Objective:</p> <ul style="list-style-type: none"> • Borrow what is necessary to meet the monetary needs of the Government. • Minimize the cost of borrowing to the Federal Government. • Provide for participation by a wide range of investors in Treasury debt financing. • Provide accurate and timely public debt accounting information. 	<p>Goal: Meet the borrowing needs of the Federal Government</p> <p>Measures:</p> <ul style="list-style-type: none"> • Conduct 100% of marketable securities auctions without error. • Announce auction results within one hour 95% of the time.
<p>Goal: Fulfill Customer Expectations</p> <p>Objective:</p> <ul style="list-style-type: none"> • Protect investors in government securities. • Provide quality customer service and transaction processing for investors in Treasury securities. • Provide accurate and timely payments to investors in Treasury securities. • Provide quality administrative support to franchising customers. 	<p>Goal: Provide quality service to purchasers of savings bonds</p> <p>Measures:</p> <ul style="list-style-type: none"> • Issue 95% of over-the-counter savings bonds in three weeks. • Complete 90% of customer service transactions in four weeks. <p>Goal: Provide quality service to investors in Treasury marketable securities</p> <p>Measures:</p> <ul style="list-style-type: none"> • Complete 90% of <i>TreasuryDirect</i> customer service transactions within three weeks. • Make 100% of <i>TreasuryDirect</i> interest and redemption payments timely. • Make 99.9% of <i>TreasuryDirect</i> interest and redemption payments accurately. • Make 100% of Commercial Book Entry interest and redemption payments accurately and timely. • Process 100% of Government Securities Investment Program transactions timely. • Process 99.9% of Government Securities Investment Program transactions accurately.