

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
DIVISION OF MONETARY AFFAIRS
FOMC SECRETARIAT

Date: October 13, 2010
To: Federal Open Market Committee
From: Deborah J. Danker
Subject: Background for October 15 Meeting

This package of documents for the October 15 videoconference includes three attachments: (1) a list of questions to help structure the discussion; (2) a memo entitled “Issues Related to Specifying a Policy Framework in the Current Environment;” and (3) a memo entitled “Strategies for Targeting Interest Rates Out the Yield Curve.” In addition, two background papers from Reserve Banks were distributed earlier today.

I expect the meeting itself (scheduled for 2:30 p.m. Washington time) to begin with introductory remarks by the Chairman and two short briefings by staff on the attached memos. A go-round will follow, and the enclosed list of questions is intended to help structure that discussion. The purpose of the questions is to elicit views on the policy and communication framework that would be most effective in the event that the Committee decides to provide further policy accommodation at a future meeting. The discussion at Friday’s videoconference will not cover the economic outlook or immediate policy actions, and please note that expressing your preference regarding a framework in no way commits you to supporting further accommodation at the next meeting.