



PRESS RELEASE

Federal Deposit Insurance Corporation

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FDIC MEETING THE FOUR KEY AREAS OF THE PRESIDENT'S MANAGEMENT AGENDA

FOR IMMEDIATE RELEASE

"I can't think of a better way to serve the American people than to be good stewards of the resources we have been given and to ensure we are performing with excellence in all that we do," said Federal Deposit Insurance Corporation Chairman Don Powell .

Speaking before the Council for Excellence in Government, Powell said that the FDIC is meeting the challenge laid out in President Bush's Management Agenda. The FDIC has achieved this by restructuring the agency, improving the performance of employees, and operating more efficiently.

"Last year, President Bush asked all government agencies to simplify, reform, and provide incentives in an effort to build a highly-functioning model of government service," Powell said. "The Management Agenda wanted these efforts to focus on four key areas: First, to make government citizen-centered; second, to develop managerial flexibility to acquire and develop leadership; third, to integrate performance review with budget divisions; and fourth, to advance e-government."

Powell cited a number of examples of the FDIC's achievements in these four areas. "As an organization, we have streamlined by merging four divisions into two and by reducing the number of executive-level positions by 20 percent," said Powell. "We also addressed supervisory skill imbalances by offering a targeted buyout program, which largely eliminated surpluses and opened up opportunity for upward mobility. We realigned staff and delegated more authority in order to reduce the time it takes to make decisions, so that most decisions affecting customers will now be made by the offices they deal with most frequently."



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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Powell also described a new performance-oriented compensation program for all staff that rewards achievement, and the development of a Corporate University to cross-train employees and develop their leadership potential. He also gave details on how the FDIC had examined cost outlays and subsequently implemented major initiatives to make sure that the agency's capital and corporate investments are cost effective.

Powell said that the FDIC had made major advances in the area of e-government. "Promoting e-government to reduce reporting burdens on businesses and to share information more quickly and conveniently should be a priority for all of us," Powell told the audience. "At the FDIC, we have made significant advances in the wise and creative use of technology to accomplish our mission of promoting safety and soundness in the banking system, protecting the consumers' insured deposits, and quickly resolving any bank failures that occur."

He cited specific examples such as the development of web-based alternatives for doing business with the FDIC and web-based tools to market the assets and liabilities of failing insured institutions, and the in-house development of software to analyze loan portfolios electronically and thus improve the examination process.

Powell also announced the award of a \$39 million dollar contract to Unisys Corporation to consolidate the collection, editing, and access of quarterly bank financial reports into a central data repository that will be accessible to regulators, financial institutions, and the public. The contract was awarded by the Federal Financial Institutions Examination Council as part of an ongoing Call Report Modernization project that the FDIC has spearheaded. The Unisys project will replace the current process for which the banking agencies together would expect to spend about \$65 million over the next 10 years.