

June 3, 1998

New Communications Network Access to GSCC

Service Summary

GSCC has completed the development of a new communications network that will provide members with expanded access to all GSCC services through a single communications connection, including the new GCF Repo service slated for implementation this summer. The new communications network will further allow members to connect multiple workstations throughout their organizations, enabling simultaneous access to various services by a number of users in different locations. The implementation of the new network is the first step in achieving GSCC's long-range goal of providing real-time access and a point-of-trade settlement guarantee for a variety of GSCC's products that are scheduled for implementation over the next several years.

Participants will also have the ability to access the GSCC services using the existing communications environment. While this method may be simpler for some members to implement, the inherent limitations of the current environment make this choice less desirable for users that require the flexibility to perform multiple functions simultaneously, either by a single individual or a number of users throughout the organization. This method also fails to provide a number of other benefits afforded by Network Access (described later).

New Access Network

The new Access Network will provide screen access, bulk file transfer, and, in the future, interactive messaging through a standard TCP-IP communications connection. The Access Network was designed jointly by GSCC and NSCC, and will therefore provide access to the services of both organizations. It will be managed by SIAC, GSCC's data center manager.

The Access Network will allow members to perform a variety of functions simultaneously, such as submitting trades to GSCC for their buy/sell, repo and GCF repo activity. In addition, for GCF repos where intra-day monitoring is required, the Network can be used to recognize and react to DKs submitted by dealers, resolve errors, and monitor transactions and positions dynamically on-line. The Network may also be used to conduct end-of-day balancing, review end-of-day print-image reports on-line, and receive MRO.

The new Access Network provides the following benefits:

- Provides access to a number of users operating from different workstations within a member's organization using a single connection.
- Enables members to conduct multiple screen sessions on a single workstation. Users may perform multiple functions simultaneously, such as affirming incoming GCF transactions while monitoring positions in real-time. This will be especially critical for members that require access to both the current cash DVP system (for buy/sell/repo/reverse transactions) and the new GCF Repo System.
- Provides access to GSCC's new Web Archive Reporting Facility, giving members the ability to use a standard Web Browser to view and print reports on-line as soon as they are generated by GSCC's system at end-of-day. Members may also use this facility to view up to 5 years of historical print-image output.
- Allows members to use a single connection for sending and receiving both their regular cash DVP and GCF Repo systems input and output. (Replaces the existing Broker Network for batch file communications.) The single connection also provides access to NSCC systems, and will facilitate Year 2000 testing by supporting batch data transmissions and providing access to test screens, once developed.

The Access Network uses standard communications methods based upon the TCP/IP protocol. This will allow members to access this Network in a similar manner to other external networks. Security will be strictly maintained through a set of authentication methods, router filters and firewalls, preventing unauthorized access, and maintaining the integrity and privacy of participant data traveling over the Network.

There are two basic participant systems configurations that the new Access Network will support: 1) standalone workstation or PC connectivity, using a standard modem and TCP-IP dial-out networking; and 2) network-to-network connectivity, providing multiple workstations with screen access to GSCC services.

Because the facility is new, some members may not currently have the technology required for implementation. Technology requirements are:

- A leased-line, dial-in, or ISDN connection using the required protocol. Each of these connections requires a different communications set up at the member's location. Contact GSCC at the numbers provided at the end of this document for additional information.
- Desktop Web browser software, such as Netscape Communicator or Microsoft Explorer.

- A terminal emulation product that runs within desktop Web browsers. GSCC recommends and will make available Webterm, an emulation product from White Pine software, to provide members with GSCC terminal access through their Web browsers.

Existing Communications Environment

The current communications environment, which includes the broker network for batch communications and the terminal dial-in facility for terminal access, will continue to be available to transmit and receive data. The primary benefit of using the existing communications environment is that it does not require any new technology to implement.

The disadvantages are:

- Only one screen session would be available at any time. Multiple functions could not be performed simultaneously.
- Terminal dial-in access does not support multiple workstations.
- Terminal dial-in access does not provide access to GSCC's new Web Archive Reporting Facility.
- Terminal dial-in access and bulk file transmissions for system input and output must be conducted over separate lines.
- Different phone numbers would be required to access each individual system (i.e., separate phone numbers would be required for regular cash DVP, GCF, Test, Year 2000, etc.).

Service Implementation

The new Access Network is currently available, and GSCC encourages its members, particularly those with high volumes and substantial terminal usage requirements, to take advantage of this service immediately, prior to the implementation of the GCF Repo service.

Please contact GSCC for further information regarding the new Access Network, or to schedule implementation.

Implementation and Testing:

Systems Issues:

GSCC Participant Services

(212) 412-8541/8551/8826

Robert Palatnick, Managing Director

(212) 412-8570 or

rpalatnick@gsc.com