Description of document: United States Mint Reports to Congress not posted on The Mint’s Web Site, 2007-2008

Requested date: 08-November-2009

Released date: 09-December-2009

Posted date: 18-January-2010

Titles of documents: See following page

Source of document: Disclosure Officer
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US Mint Reports Included

- United States Mint Report to Congress on Operations from January 1 through March 31, 2009 Second Quarter Fiscal Year 2009
- United States Mint Report to Congress on Operations from April 1 through June 30, 2007 Third Quarter Fiscal Year 2007
- United States Mint Report to Congress on Operations from July 1 through September 30, 2007 Fourth Quarter Fiscal Year 2007
- United States Mint Report to Congress on Operations from April 1 through June 30, 2009 Third Quarter Fiscal Year 2009
- CCRA Report 3rd Quarter FY 2008
- CCRA Report 1st Quarter FY 2009
- CCRA Report 2nd Quarter FY 2009
- CCRA Report 3rd Quarter FY 2009
- Presidential $1 Coin Program Report to Congress December 14, 2007
This is in response to your November 8 Freedom of Information Act (FOIA) request for “a copy of each report produced for Congress by the U.S. Mint during the past five (5) years, and which are not posted on the U.S. Mint public internet website.”

Enclosed as responsive to your request are the following: the Public Enterprise Fund (PEF) report to Congress (3rd quarter FY 2007, 4th quarter FY 2007, 2nd quarter FY 2009, and 3rd quarter FY 2009); the Commemorative Coin Reform Act (CCRA) report to Congress (3rd quarter FY 2008, 1st quarter FY 2009, 2nd quarter FY 2009, and 3rd quarter FY 2009); and the Presidential $1 Coin Program annual report to Congress, dated December 14, 2007.

Inasmuch as fees incurred in the processing of your request were minimal, they have not been assessed.

Sincerely,

Kathleen Saunders-Mitchell
Disclosure Officer

Enclosures
Second Quarter Fiscal Year (FY) 2009 Financials: FY 2009 second quarter total revenue increased eight percent from the same quarter last year, as 65 percent growth in bullion revenue offset 39 percent and 15 percent declines circulating and numismatic revenue, respectively.

New Strategy for Pricing Precious Metals Numismatic Products: The United States Mint implemented a new pricing methodology for its numismatic products containing platinum and gold coins effective January 12, 2009. This pricing methodology will allow the United States Mint to change the prices of these products as often as weekly to better reflect the costs of platinum and gold on the open markets.

Presidential $1 Coin Act: The ninth coin in the Presidential $1 Coin Program honors President William Henry Harrison and was released to the general public on February 19, 2009. Shipments of the William Henry Harrison Presidential $1 Coin to the Federal Reserve Bank totaled 96.5 million coins at the close of the second quarter of FY 2009.


Native American $1 Coin Act: The first coin in the annual Native American $1 Coin series, featuring Sacagawea and her infant son on the obverse and an Indian woman practicing “Three Sisters” agriculture on the reverse, was released to the public on January 2, 2009. Through the second quarter of FY 2009, 4.3 million Native American $1 Coins have been disbursed through the United States Mint’s Circulating $1 Coin Direct Ship program.

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Vision and Goals of the United States Mint

The vision of the United States Mint is “to embody the American spirit through the creation of our nation’s coins and medals.” The United States Mint is committed to minimizing costs, streamlining operations, and ensuring that every product illustrates our American values and history. The United States Mint established the following strategic goals to uphold its vision:

- Establish and reinforce the exclusive brand identity of the United States Mint;
- Create and execute the most effective coin and medal portfolio strategy;
- Achieve greater excellence in coin and medal design;
- Increase operational efficiency while meeting the highest quality standards;
- Develop optimal workforce and workplace culture.

Responsibilities of the United States Mint

The United States Mint’s primary responsibilities are the following:

- Enabling commerce by minting and issuing circulating coins in amounts necessary to meet the needs of the United States.
- Striking national medals, including Congressional Gold Medals.
- Manufacturing, marketing and selling proof and uncirculated coins, commemorative coins and medals to the general public. The value of these products, known as numismatic items, generally depends on factors such as mintage, rarity, condition and age.
- Manufacturing, marketing and selling gold, silver and platinum bullion coins through the American Eagle and American Buffalo Bullion Programs. The value of bullion coins generally depends on their weight in specific precious metals. These products are sold by the United States Mint to Authorized Purchasers. The coins are available to the general public through precious metal and coin dealers, brokerage companies and participating banks.
- Safeguarding United States Mint assets and non-United States Mint assets in the bureau’s custody, including bullion reserves at the United States Bullion Depository at Fort Knox.

Current Business Environment

The current economic environment significantly affects the United States Mint’s main operating programs in different ways. Slowing economic activity reduces retailers and the public’s demand for circulating coin for use in cash transactions. This results in commercial banks and other financial institutions curtailing orders for coins and returning excess coins to the Federal Reserve Banks. The Federal Reserve Banks, in turn, decrease orders for newly minted coins, resulting in substantially fewer shipments and lower revenue for the United States Mint. Poor economic conditions also reduce global demand for the metals that constitute the largest portion of overall circulating production costs. Prices for copper, nickel and zinc remain well below highs experienced in prior fiscal years, reducing the per-unit metal costs for all denominations. The impact of lower metal prices on overall per-unit costs is somewhat offset by low production volumes which cause fixed and allocated costs to be spread over fewer units.

As economic conditions decline, investors are often driven to precious metal markets as safe havens from declining equity markets. Demand for the United States Mint’s gold and silver bullion coins remains at unprecedented levels. The volume of precious metal planchets the agency’s suppliers can timely provide limit the number of bullion coins the United States Mint can produce and sell. In response, the United States Mint has diverted planchets from the numismatic program and attempted to procure additional supplies. However, the United States Mint does not expect to completely fulfill demand for bullion coins until economic conditions improve and investors are drawn toward alternative investments.
Status of the Public Enterprise Fund

The United States Mint’s Public Enterprise Fund is financed by the sale of circulating coins to the Federal Reserve and the sale of numismatic and bullion coins and other products to customers worldwide.

### Circulating

Second quarter revenue from circulating operations totaled $169 million in FY 2009, down 39 percent from the same period in FY 2008. Circulating shipments to the Federal Reserve Banks totaled just fewer than 1.0 billion coins in the second quarter of 2009, down 49 percent from the same period in FY 2008. The slowing economy largely reduced the volume of circulating coins financial institutions require to meet customer demand. Consequently, financial institutions curbed orders for newly minted coins and returned excess coin inventories to the Federal Reserve Banks. Because of this flow back of circulating coin, the Federal Reserve Banks’ inventories of nearly all denominations began approaching capacity. To deplete its accumulated inventory, the Federal Reserve Banks cut orders for newly minted coins and revised their forecasted orders down for the remainder of FY 2009. Revised circulating coin orders forecasted for the third quarter of FY 2009 are 72% lower than coin orders for the same period of FY 2008. The United States Mint expects orders for circulating coin to remain significantly below prior years until the Federal Reserve Banks achieves their desired lower inventory levels.

### Numismatic

Numismatic revenue for the second quarter of FY 2009 totaled $127 million, down 15 percent from the same quarter in FY 2008. The decline can be attributed to fewer product releases this quarter compared to the same quarter in FY 2008 and the diversion of limited supplies of gold and silver blanks to the bullion program. While poor economic conditions have reduced demand for some recurring products, sales of the 2009 Abraham Lincoln Commemorative Silver Dollar and 2009 Lincoln Bicentennial One-Cent Coins have exceeded expectations. The United States Mint revised revenue forecasts upward for these products. However, the agency revised the overall numismatic revenue forecast for the remainder of FY 2009 to stay at or below FY 2008 levels because of economic conditions and the continued diversion of precious metal planchets to the bullion program.
Status of the Public Enterprise Fund

Bullion

During the second quarter of FY 2009, the United States Mint continued to experience unprecedented demand for gold and silver bullion coins. Bullion revenues for the second quarter of FY 2009 totaled $485 million, up 65 percent from the same quarter in FY 2008. The United States Mint remains unable to fully satisfy the prevailing demand for these coins because of limited worldwide gold and silver planchets supply. The United States Mint expects to procure additional planchets in the second half of FY 2009 and increase the supply of bullion coins the agency offers authorized purchasers each week. Consequently, revenue from bullion sales is projected to remain significantly above FY 2008 levels for the remainder of FY 2009.

Consolidated

The United States Mint’s revenue from first quarter operations totaled $781 million, up eight percent from the same period in FY 2008. Second quarter revenue continues to exceed last year’s levels as increases in bullion sales offset decreases in both the circulating and numismatic activity.
Update on Activities

New Strategy for Pricing Precious Metals Numismatic Products

The United States Mint implemented a new pricing methodology for its numismatic products containing platinum and gold coins effective January 12, 2009. A new pricing strategy was necessary to mitigate the effect of fluctuating gold and platinum commodity costs on the pricing and selling of these products. The new pricing methodology is based primarily on the London Fix weekly average platinum and gold prices, which reflect the market value of the platinum and gold bullion that these products contain. As required by law, the prices of these products must be sufficient to recover all other costs incurred by the United States Mint, such as the cost of minting, marketing and distributing such products (including labor, materials, dies, use of machinery, and promotional and overhead expenses). This pricing methodology will allow the United States Mint to change the prices of these products as often as weekly so they better reflect the costs of platinum and gold on the open markets.

Presidential $1 Coin Act

William Henry Harrison Presidential $1 Coin

On February 19, 2009, the William Henry Harrison Presidential $1 Coin was released into general circulation. Shipments of the William Henry Harrison Presidential $1 Coins to the Federal Reserve Banks totaled 96.5 million coins at the close of the second quarter of FY 2009. Shipments of the Martin Van Buren Presidential $1 Coin, released in the first quarter of FY 2009, totaled approximately 99.4 million coins. Total shipments of Presidential $1 Coins have steadily declined since the program began in January 2007. Shipments of previously issued Presidential $1 Coins are as follows: George Washington Presidential $1 Coin – 304 million coins; John Adams Presidential $1 Coin – 200 million coins; Thomas Jefferson Presidential $1 Coin – 170 million coins; James Madison Presidential $1 Coin – 142 million coins; James Monroe Presidential $1 Coin – 114 million coins; John Quincy Adams Presidential $1 Coin – 105 million coins; and Andrew Jackson Presidential $1 Coin – 96 million coins.

Demand and use of circulating $1 coins

Net pay, the difference between coins distributed by the Federal Reserve Banks to commercial banks and coins returned from commercial banks, totaled $28 million for all $1 coins in the second quarter of FY 2009, a 55 percent decline from the same quarter in FY 2008. Additionally, second quarter net pay represented a 47 percent decline from the first quarter total of $52 million. Corresponding with the shipment data above, net pay for $1 coins has been trending downward steadily since the release of the first Presidential $1 Coin in January 2007. While declining economic activity has an effect on $1 coin demand, a downward trend is expected as the initial excitement related to the program subsides over time.

Outreach

During the second quarter of FY 2009, the United States Mint tabulated and analyzed results from the four-city pilot program which concluded in November 2007. Through public relations, advertising, supply chain facilitation and an intensive campaign aimed at the interface of retailers and consumers, the United States Mint endeavored to increase $1 coin usage in the four pilot cities of Austin, Texas; Charlotte, North Carolina; Grand Rapids, Michigan; and Portland, Oregon. By using well-tested, new messaging -- $1 Coins last for decades, are 100% recyclable and save the Nation money -- the pilot sought to go beyond making the public merely aware of $1 coins to helping them become familiar and comfortable with their use in everyday transactions.

Results were encouraging. For the first time since $1 coins have been marketed, the United States Mint was able to make perceptible, positive changes in the way people view and use $1 coins. In the four pilot cities, total coin payout increased by 1.8 million coins, a 24% increase over pre-pilot levels. The United States Mint is continuing to evaluate the pilot and identify the next steps in the outreach process.
Update on Activities

Native American $1 Coins

Native American $1 Coins, authorized by Public Law 110-82, were released into circulation on January 2, 2009. United States Mint Director Edmund C. Moy joined National Museum of the American Indian Director Kevin Gover at the museum in Washington, D.C., on January 17, 2009, to ceremonially introduce the first coin to be released in the series. The 2009 reverse design depicts the “Three Sisters of Agriculture” – the method of planting of corn, beans and squash together in the same mound to enhance the productivity of each plant. The obverse design remains the "Sacagawea" portrait first introduced in 2000. The reverse of the coin will change annually to honor Native Americans and the important contributions Indian tribes and individual Native Americans made to the development and history of the United States.

Public Law 110-82 also authorizes the Secretary to mint and issue numismatic versions of the $1 coins. The law stipulates that the number of Native American $1 Coins issued in a year be at least 20 percent of the total number of $1 coins minted and issued annually. Because of this mandate and the Federal Reserve Banks’ current reluctance to order any Native American $1 Coins, the United States Mint is making the coins available through its Circulating $1 Coin Direct Ship Program. As of the second quarter of FY 2009, 4.3 million coins have been disbursed through this program. The law also directs the Secretary of the Treasury to carry out an aggressive, cost-effective, continuing campaign to encourage commercial enterprises to accept and dispense Native American $1 Coins. To meet this requirement, the United States Mint will actively promote Native American $1 Coins through its expanded $1 Coin Robust Circulation Program and other internal programs.

2009 District of Columbia and U.S Territories Quarters® Program

Director Moy joined Congresswoman Eleanor Holmes Norton to introduce the District of Columbia commemorative quarter-dollar coin in a ceremony on February 26, 2009, at the Smithsonian Institution’s National Museum of American History in Washington, D.C. Previously released into circulation on January 26, 2009, the District of Columbia quarter was the first issued under the United States Mint's 2009 District of Columbia and U.S. Territories Quarters Program. The United States Mint will mint and issue a total of six quarters with reverse designs honoring the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands and the Commonwealth of the Northern Mariana Islands under this program. The Puerto Rico commemorative quarter-dollar was released into circulation on March 30, 2009 with a launch event to be held in San Juan, Puerto Rico, on April 2, 2009.

The United States Mint also introduced new 2009 District of Columbia and U.S. Territories Quarters Program numismatic products in the second quarter of FY 2009. A special six-coin quarter proof set and a six-coin silver quarter proof set were launched in January and March, respectively. In addition, District of Columbia and Puerto Rico quarter bags and rolls were offered to the public on the same dates the coins were released into circulation.

2009 Lincoln Bicentennial One-Cent Program

United States Mint Deputy Director Andrew Brunhart joined Kentucky Governor Steve Beshear to introduce the first redesigned Lincoln Bicentennial One-Cent Coin in a ceremony on February 12, 2009, in Hodgenville, Kentucky, where Abraham Lincoln was born. The United States Mint will mint and issue three additional one-cent coins in 2009 in recognition of the bicentennial anniversary of President Abraham Lincoln's birth and the 100th anniversary of the first issuance of the Lincoln Cent. While the obverse will continue to bear the familiar likeness of President Lincoln currently on the one-cent coin, the reverse designs will represent the four major aspects of President Lincoln’s life: his birthplace and early childhood in Kentucky; his formative years in Indiana; his professional career in Illinois; and his presidency in Washington, D.C. The reverse designs were unveiled September 22, 2008, at a ceremony held at the Lincoln Memorial on the National Mall in Washington, D.C. The four 2009 Abraham Lincoln one-cent coins will maintain the same metal content (2.5 percent copper, balance zinc) and other specifications as the current one-cent coin.
Update on Activities

In 2009, the United States Mint will also mint and issue numismatic one-cent coins with the exact metallic content contained in the 1909 coin – 95 percent copper, three percent zinc and two percent tin. These will feature proof and uncirculated finishes and will be offered for sale in numismatic annual sets and a special set. On March 13, 2009, circulating versions of the coins were released for sale in specially wrapped two-roll sets. A total of 96,000 units were purchased before selling out. The second redesigned one-cent coin, "Formative Years," will be released into circulation on May 14, 2009. A second two-roll set will also be released for sale to the public that day.

2009 Ultra High Relief Double Eagle Gold Coin Program

The United States Mint issued the 2009 Ultra High Relief Double Eagle Gold Coin for sale on January 22, 2009. Using 21st century design technology, the original 1907 design was updated to reflect the year 2009 in Roman numerals (MMIX), four additional stars reflecting the current 50 states and the inscription "In God We Trust." The 2009 coin also is made of 24-karat gold and includes a small border for a more consistent edge. As of March 31, 2009, approximately 57,000 coins had been sold.

Director Moy held a ribbon-cutting ceremony at the United States Mint facility at Philadelphia on February 2, 2009, to officially open the 2009 Ultra High Relief Double Eagle Gold Coin exhibit. The exhibit showcases the development of this modern masterpiece from initial test strikes to the finished, one-ounce 24-karat gold coin. A guided tour of the United States Mint facility followed the ceremony.

Other Coin Events

2009 Abraham Lincoln Commemorative Silver Dollar Program

Proof and uncirculated versions of the 2009 Abraham Lincoln Commemorative Silver Dollar went on sale February 12, the 200th anniversary of Lincoln's birth. The obverse features an image of President Lincoln. The reverse features the immortal words Lincoln spoke at Gettysburg — the last 43 words of his most famous speech — inscribed within a laurel wreath. Surcharges from the sale of this coin are authorized to be paid to the Abraham Lincoln Bicentennial Commission to further its work in planning the celebration of Lincoln's bicentennial and the continued study of his life.

2009 Louis Braille Bicentennial Silver Dollar Program

Director Moy joined National Federation of the Blind (NFB) Executive Director Mark Mauer at the NFB headquarters in Baltimore on March 26, 2009, to introduce the 2009 Louis Braille Bicentennial Silver Dollar. The coin commemorates the 200th anniversary of the birth of Louis Braille, the inventor of the Braille system used by the blind to read and write.

Coin and Medal Design Information

2010 Presidential $1 Coin Program

The obverse designs honoring Presidents Millard Fillmore, Franklin Pierce, James Buchanan and Abraham Lincoln were presented to the Federal advisory committees in January, and approved by the Secretary of the Treasury on March 11, 2009.

2010 Lincoln Bicentennial One-Cent Coin

The reverse designs, emblematic of President Lincoln's preservation of the union as a unified Nation, were developed and are scheduled to be presented to the Federal advisory committees in April.

2010 Native American $1 Coin Program

The candidate reverse designs for the 2010 Native American $1 Coin, representing the theme Government - the Great Tree of Peace, were developed and submitted to the National Museum of the American Indian for historical accuracy and appropriateness review. Selected designs were then
Update on Activities

submitted to the following consulting groups for review: the National Congress of American Indians, the U.S. Senate Committee on Indian Affairs, and the U.S. House of Representatives Congressional Native American Caucus. Comments and recommendations were received from all consulting groups, and the designs are scheduled to be presented to the Federal advisory committees in April.

2010 National Parks Quarters
The decision memo for the new quarter program, including the site selection and design criteria, the site selection process and the design selection process, was approved by the Secretary of the Treasury on January 14, 2009. On January 27, 2009, letters were sent to the governors of the 50 states, the governors of the five territories and the mayor of the District of Columbia requesting site recommendations for their respective jurisdictions by late February. The recommended sites are being reviewed for eligibility and appropriateness.

2010 American Veterans Disabled for Life Commemorative Coin
The designs were developed and submitted to the recipient organization for review. Initial comments are due in early April 2009.

2010 Boy Scouts of America Centennial Commemorative Coin
The designs were developed and are scheduled to be presented to the recipient organization in April 2009.

Senator Brooke Congressional Gold Medal
The designs for the Congressional Gold Medal honoring former Senator Edward W. Brooke III were presented to the Federal advisory committees in February and approved by the Secretary of the Treasury on March 26, 2009.

Daw Aung San Suu Kyi Congressional Gold Medal
The candidate designs for the medal honoring Daw Aung San Suu Kyi were presented to the Federal advisory committees in February 2009. As a result of comments from one of the committees, the reverse design was amended. The amended designs will be submitted to the liaison for review.

Director Edmund C. Moy Medal
The candidate designs for the medal honoring the Director of the United States Mint are in development.

Other Designs
Other programs, including the 2010 First Spouse Gold Coin Program, are in their initial stages of development.

Legislative Update

111th Congress Convenes
Although this is the second quarter of the fiscal year, it was the first quarter for the new Congress that convened on January 3, 2009. A new legislative two-year session requires the introduction of new bills, including those related to coins and medals. By the end of the quarter, there were nine commemorative coin bills and ten Congressional Gold Medal bills introduced in the House and Senate and referred to committee.

The United States Mint's Legislative Affairs Office continued or initiated consultations of previously enacted public laws to begin the design and manufacturing process. This included:

- America's Beautiful National Parks Quarter Dollar Act of 2008
- United States Army Commemorative Coin Act of 2008
- Code Talkers Recognition Act of 2008
- Constantino Brumidi Congressional Gold Medal
- Stephanie Tubbs Jones Gift of Life Medal Act of 2008
- Civil Rights Act of 1964 Commemorative Coin Act
Update on Activities

2009 Lincoln Bicentennial One-Cent Coin Exchange

The United States Mint held the first of four planned 2009 Lincoln Penny exchanges on Capitol Hill on February 12, 2009. The United States Mint exchanged 1,700 rolls for Members, staff and the general public in the Rayburn House Office Building. There will be four new reverses for the Lincoln one-cent coin in 2009 during the bicentennial of his birth. The first of those designs, featuring his Kentucky birth place, was issued on February 12, 2009.

Alternative Materials for Circulating Coins

Metal constitutes the largest portion of overall production costs, and a dramatic increase in metal prices can have a significant effect on circulating coinage results. In any environment, changing the composition of all circulating coins to less expensive materials could save the United States Treasury millions of dollars a year without compromising the utility of these coins. Accordingly, the United States Mint plans to work with the Department of the Treasury and the Congress to examine alternatives to mitigate the effect rising metal prices can have on circulating coinage.
UNITED STATES MINT
Report to Congress on Operations
From April 1 through June 30, 2007
Third Quarter Fiscal Year 2007

In a conference report to Public Law 104-52 that created the United States Mint Public Enterprise Fund (PEF), Congress directed the United States Mint to report quarterly on implementation of the PEF. This report is designed to fulfill that requirement.

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- Third Quarter Fiscal Year (FY) 2007 Financials:
  - Year-to-Date Comparison: Year-to-date revenues for the third quarter FY 2007 were 21% higher than year-to-date revenues for the third quarter FY 2006.
  - Third Quarter Comparison: Revenues for the third quarter of FY 2007 were 10% higher than revenues for the third quarter of FY 2006.
  - Comparison to Previous Quarter: Revenues for the third quarter of FY 2007 were 4% lower than revenues for the second quarter of FY 2007.

- On May 17, 2007, the United States Mint introduced the second Presidential $1 Coin, the John Adams Presidential $1 Coin, in Quincy, Massachusetts. Director Ed Moy and descendants of John Adams hosted the event in the former President’s hometown, while an Adams re-enactor greeted school children.

- On June 19, 2007, the First Spouse Gold Coin Program was introduced, featuring the first two coins in the series, the Martha Washington and the Abigail Adams First Spouse $10 Gold Coins.

- The Washington and Idaho commemorative quarter-dollar coins were released into circulation.

- On June 26, 2007, the Byron Nelson Congressional Gold Medal was awarded posthumously to his widow in a presentation ceremony on Capitol Hill.

OTHER HIGHLIGHTS
In May, the final designs for the Norman E. Borlaug Congressional Gold Medal were approved by the Secretary of the Treasury.
The United States Mint's primary responsibilities are:

- Producing an adequate volume of circulating coins for the United States to conduct its trade and commerce, and distributing these circulating coins to the Federal Reserve Bank;

- Striking national medals, including Congressional Gold Medals;

- Manufacturing, marketing and selling proof and uncirculated coins, commemorative coins and medals to the general public. These products are known as numismatic products. Their value generally depends on factors such as mintage, rarity, condition and age;

- Manufacturing, marketing and selling gold, silver and platinum bullion coins through the American Eagle and the American Buffalo Bullion Programs. The value of these bullion coins generally depends on their weight in specific precious metals. These products are not sold directly to the general public by the United States Mint. They are sold to Authorized Purchasers and are available to the general public through precious metal dealers, coin dealers, brokerage companies and participating banks;

- Safeguarding United States Mint assets and non-Mint assets that are in the United States Mint's custody, including bullion reserves at the Fort Knox Bullion Depository.

### STATUS OF THE PUBLIC ENTERPRISE FUND

The United States Mint's Public Enterprise Fund is financed by the sale of circulating coins to the Federal Reserve and the sale of numismatic and bullion coins and other products to customers worldwide.

### YEAR-TO-DATE COMPARISON:

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Year-to-Date through 3rd Qtr FY 2007</th>
<th>Year-to-Date through 3rd Qtr FY 2006</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Circulating</td>
<td>$1337</td>
<td>$968</td>
<td>+38%</td>
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<tr>
<td>Numismatics</td>
<td>$384</td>
<td>$287</td>
<td>+34%</td>
</tr>
<tr>
<td>Bullion*</td>
<td>$272</td>
<td>$389</td>
<td>-30%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$1993</td>
<td>$1644</td>
<td>+21%</td>
</tr>
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</table>

* Investment versions; proof versions are included in numismatic sales.
Year-to-Date Circulating Collections: Year-to-date circulating collections through the third quarter of FY 2007 totaled $1,337 million -- up 38% from the same period of FY 2006. (See Table #1) This increase is attributable, in large part, to an increase in orders from the Federal Reserve Bank resulting from the introduction of the Presidential $1 Coin.

The United States Mint’s circulating collections fluctuate because variations in the United States economy change demand for circulating coins by commercial establishments and the general public. To accommodate such demand changes, the United States Mint and the Federal Reserve Bank continually assess their inventories and the demand for circulating coins, and then adjust their production, ordering and delivery schedules accordingly.

Year-to-Date Numismatic Revenues: Year-to-date numismatic revenues through the third quarter of FY 2007 totaled $384 million -- up by 34% from the same period of FY 2006. (See Table #1) This increase resulted from sales of 2006 products. These products include the American Eagle Anniversary Sets (American Eagle 20th Anniversary Gold & Silver Set, American Eagle 20th Anniversary Silver Coin Set and American Eagle 20th Anniversary Gold Coin Set) and the San Francisco Old Mint Commemorative Coin Program, which included a gold option.

Year-to-Date Bullion Revenues: Year-to-date bullion revenues through the third quarter of FY 2007 totaled $272 million -- down by 30% from the same period of FY 2006. (See Table #1) This decrease was attributed to two factors: 1) in the third quarter of FY 2007, we experienced a decrease in orders because of the increase in precious metals prices, and 2) the third quarter of FY 2006 revenue was unusually high because of the launch of the 2006 24-Karat American Buffalo Gold Bullion Coins.

THIRD QUARTER COMPARISON: FY 2007 TO FY 2006

<table>
<thead>
<tr>
<th>Product Category</th>
<th>3rd Qtr FY 2007</th>
<th>3rd Qtr FY 2006</th>
<th>Change</th>
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<tbody>
<tr>
<td>Circulating</td>
<td>$552</td>
<td>$352</td>
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<td>Numismatic</td>
<td>$104</td>
<td>$135</td>
<td>-23%</td>
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<tr>
<td>Bullion</td>
<td>$50</td>
<td>$153</td>
<td>-67%</td>
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<tr>
<td>TOTAL</td>
<td>$706</td>
<td>$640</td>
<td>+10%</td>
</tr>
</tbody>
</table>

* Investment versions; proof versions are included in numismatic sales.

Circulating Third Quarter Comparison: Circulating collections for the third quarter of FY 2007 totaled $552 million -- up by 57% from the same quarter of FY 2006. (See Table #2) This increase reflected an increase in the Federal Reserve Bank's coin order—most notably orders for the new Presidential $1 Coin.
**Numismatic Fiscal Year Comparison:** Numismatic revenues for the third quarter of FY 2007 totaled $104 million -- down by 23% from the same quarter of FY 2006. (See Table #2) This revenue decrease resulted from the later release of some annual sets and precious metal products in 2007 compared to 2006, including the annual United States Mint Proof Set, the annual United States Mint Uncirculated Coin Set and the American Eagle Platinum Proof Coin Program. These are all scheduled to be introduced in the fourth quarter of FY 2007.

**Bullion Fiscal Year Comparison:** Bullion revenues for the third quarter of FY 2007 totaled $50 million -- down by 67% from the same quarter of FY 2006. (See Table #2) This decrease was attributed to two factors: 1) in the third quarter of FY 2007, we experienced a decrease in orders because of the increase in precious metals prices, and 2) in the third quarter of FY 2006, revenue was unusually high because of the launch of the 2006 24-Karat American Buffalo Gold Bullion Coins.

**COMPARISON TO PREVIOUS QUARTER**

<table>
<thead>
<tr>
<th>Table #3</th>
<th>COMPARISON OF 3rd QUARTER FY 2007 REVENUES TO 2nd QUARTER FY 2007 REVENUES</th>
<th>(Millions of Dollars)</th>
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<tbody>
<tr>
<td>Product Category</td>
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<td>Numismatics</td>
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<td>$116</td>
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<tr>
<td>Bullion*</td>
<td>$50</td>
<td>$166</td>
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<tr>
<td>TOTAL</td>
<td>$706</td>
<td>$819</td>
</tr>
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</table>

* Investment versions; proof versions are included in numismatic sales.

**Quarterly Circulating Comparison:** Circulating collections for the third quarter of FY 2007 totaled $552 million -- up by 3% from the second quarter of FY 2007. (See Table #3) This collection's increase is consistent with the United States Mint's shipment of 4.9 billion coins to the Federal Reserve Bank during the third quarter of FY 2007 -- up by 40% from the 3.5 billion coins shipped during the second quarter of FY 2007.

**Projected Fourth Quarter 2007 Circulating Collections:** Circulating collections are expected to decrease next quarter in conjunction with a decrease of the Federal Reserve's forecasted coin order to 3.2 billion coins because of normal seasonal increases to Federal Reserve inventory.

**Quarterly Numismatic Comparison:** Numismatic revenues for the third quarter of FY 2007 totaled $104 million -- down by 10% from the second quarter of FY 2007. (See Table #3) This slight revenue decrease resulted from the later than expected release of some 2007-dated products.
Projected Fourth Quarter Numismatic Revenues: Next quarter's revenues are expected to increase because the United States Mint will be releasing more 2007-dated products, including annual sets and precious metal products such as the American Eagle Platinum Proof Coins, as well as shipping many products sold in the third quarter that will not book revenue until the fourth quarter.

Quarterly Bullion Comparison: Bullion revenues for the third quarter of FY 2007 totaled $50 million -- down by 70% from the second quarter of FY 2007. (See Table #3) This revenue decrease was a result of the normal seasonal decline in bullion orders, as well as the increase in precious metals prices.

Projected Fourth Quarter 2007 Bullion Revenues: Bullion revenues are expected to remain the same next quarter as a result of the normal seasonal decline in bullion orders, as well as the increase in precious metals prices.

UPDATE ON ACTIVITIES

50 STATE QUARTERS® PROGRAM

WASHINGTON QUARTER LAUNCH

United States Mint Director Ed Moy joined Washington Governor Chris Gregoire and First Gentleman Mike Gregoire to launch the Washington commemorative quarter-dollar in a ceremony on April 11, 2007, at the Fisher Pavilion in Seattle, Washington. Christine Chen, host of About the Money with Christine Chen, was the Master of Ceremonies.

The Washington quarter was the second coin of 2007, and the 42nd to be introduced in the United States Mint's 50 State Quarters® Program. The reverse of Washington's quarter features a king salmon breaching the water in front of majestic Mount Rainier. The coin bears the inscriptions "The Evergreen State," "Washington" and "1889."

Washington Commemorative Quarter-Dollar Coin
IDAHO QUARTER

The Idaho quarter, the third coin of 2007, and the 43rd to be introduced in the United States Mint's 50 State Quarters® Program went into circulation on June 4, 2007. The launch is scheduled for August 3, 2007.

50 STATE QUARTERS COIN DESIGN PROCESS

On May 25, 2007, the Secretary of the Treasury approved the final designs for the states to be honored in 2008: Oklahoma, New Mexico, Arizona, Alaska and Hawaii.

PRESIDENTIAL $1 COIN ACT OF 2005

JOHN ADAMS PRESIDENTIAL $1 COIN LAUNCH

The John Adams Presidential $1 Coin introduction and coin exchange was held in Quincy, Massachusetts, on May 22, 2007. This is the second coin to be released in the Presidential $1 Coin Program. The United States Mint coordinated with civic and business organizations in Quincy and descendants of John Adams to encourage Presidential $1 Coin orders and circulation by hanging lamp post banners displaying the John Adams Presidential $1 Coin for two weeks. The United States Mint also coordinated with local businesses to showcase circulation opportunities by exchanging goods for John Adams Presidential $1 Coins.

2007 PRESIDENTIAL $1 COIN PROOF SET™

The 2007 Presidential $1 Coin Proof Set went on sale June 21, 2007, with 616,056 sets sold through June 30, 2007, generating $9,210,037 in revenue.

PRESIDENTIAL $1 COIN OUTREACH

This quarter, to promote the Presidential $1 Coin Program, the United States Mint made a presentation at the American Bankers Association meeting and attended the National Automated Merchandising Association (NAMA) Convention, where more than 5,000 people, including more than 700 buyers and vending operating companies, were in attendance. Additionally, NAMA had agreed, and made prior arrangements with up to 10 machine manufacturers who were exhibiting at the event, to demonstrate the use of Presidential $1 Coins in their vending machines. The United States Mint also participated in the National Bulk Vendors Association Convention, the National Retail Association (NRA) Annual Convention, the Food Marketing Institute (FMI) show, and the American Public Transportation Association Fare Collection Workshop.

To promote the use of the Presidential $1 Coins, the United States Mint assisted regional Wal-Mart promotions, reached out to Presidential Libraries to encourage gift shops and admissions desks to dispense Presidential $1 Coins, and provided media and other support for Presidential $1 Coin promotions by Harvest Foods.
FIRST SPOUSE 24-KARAT GOLD COINS

The United States Mint is honoring our Nation's First Spouses by issuing one-half ounce, 24-karat gold coins featuring their images in the order that they served as First Spouse. The Martha Washington and Abigail Adams Gold Coins went on sale June 19, 2007, and sold out in just over two hours. The Jefferson Liberty Gold Coin will be released next quarter.

FIRST SPOUSE DESIGN PROCESS

On May 29, 2007, the Secretary of the Treasury approved the final designs for the 2008 First Spouse Gold Coin and Medal Program, honoring Elizabeth Monroe, Louisa Adams, President Andrew Jackson's Liberty, and President Martin Van Buren's Liberty.

The United States Mint has been in consultation with the White House Historical Association (WHHA) for the names of scholars and historians with expertise on the spouses to be honored in 2009. The design narratives are scheduled to be reviewed by the historians in July before being presented to the Citizens Coin Advisory Committee (CCAC).

AMERICAN BUFFALO 24-KARAT GOLD COINS

This quarter, 16,500 ounces of American Buffalo 24-Karat Gold Bullion Coins were sold. The American Buffalo 24-Karat Gold Proof Coins went on sale May 23, 2007, and at the end of the quarter, approximately 20,000 coins had been sold.

ARTISTIC INFUSION PROGRAM

In late May, the Artistic Infusion Program (AIP) Master Designers, Associate Designers, and Student Designers were assigned to develop reverse designs for the four 2009 Lincoln one-cent coins. This was the first assignment for the new Associate and Student Designers who joined the AIP this year.

The four Student Designers also participated in the first AIP Student Internship at the United States Mint at Philadelphia. During the three-week internship, the students learned to design, model, and cast a portrait under the supervision of the Senior Engraver and the team of sculptor-engravers. They also attended two field trips, one to the Metropolitan Museum of Art in New York, New York, and the other to the National Portrait Gallery and the National Gallery of Art in Washington, DC. Because all four students passed the internship, they are all eligible to receive college credit at their respective institutions of higher learning.

UNITED STATES MINT EDUCATIONAL INITIATIVE

Educational content was added to the United States Mint H.I.P. Pocket Change™ Web site, including Time Machine. The interactive cartoon was updated with a trip to the Great Depression era. An issue of the quarterly online newsletter, Making Cents, was added, as was a "State Quarter Day in the Classroom" page for Washington.

A Memorial Day page was created, as well as Summer Fun with Coins, Financial Literacy Month and National Coin Week pages. The "Coin of the Month" section featured the Washington quarter-dollar, the John Adams Presidential $1 Coin and the 1915 Panama-Pacific 50-Dollar Coin.

The United States Mint H.I.P. Pocket Change Web site had approximately one million visits during the quarter, an increase of 15% over the same quarter last year. In addition, 22,029 Westward Journey Nickel Series™ lesson plans, 180,043 of the 50 State Quarters lesson plans and 9,850 Presidential $1 Coin lesson plans were downloaded during this quarter.
In June, the United States Mint Educational Initiative (MEI) team staffed booths at the American Library Association and the National Education Association conferences. Both conferences attracted more than 35,000 educators and librarians, and more than 1,200 signed up for the Teachers' Network.

**OTHER HIGHLIGHTS**

**COMMEMORATIVE COIN PROGRAMS**

**Jamestown 400th Anniversary Commemorative Coins (2007)**
The Jamestown 400th Anniversary Commemorative Coin Program initially began sales in the 2nd quarter of FY 2007 with both silver and gold coins options. As of June 30, 2007, approximately 282,000 silver coins and 59,000 gold coins were sold.

**Little Rock Central High School Desegregation 50th Anniversary Coin Program (2007)**
The Little Rock Central High School Desegregation 50th Anniversary Silver Dollar was introduced on May 15, 2007. Product options include individual proof coins and individual uncirculated coins, as well as the Little Rock Coin and Medal set, which contains the uncirculated silver dollar and a bronze replica of the Congressional Gold Medal presented to the Little Rock Nine. The coin and medal set is limited to 25,000 units. As of this quarter, the total number of silver coins sold is 139,515. Of those sales, 22,464 are from the coin and medal sets.

**American Bald Eagle Recovery and National Emblem Commemorative Coin Program (2008)**
The design candidates were presented to the Federal advisory bodies in May, and the recommended final designs were sent to the Secretary of the Treasury for final approval on June 13, 2007. This is a three-coin program, including a $5 gold coin, a silver dollar and a clad half-dollar.

**Abraham Lincoln Bicentennial One-Cent Coin and the Abraham Lincoln Commemorative Coin Program (2009)**
The United States Mint has continued discussions with the Program Director of the Abraham Lincoln Bicentennial Commission to finalize the design themes for the obverse and reverse silver commemorative coin. Design development should begin in July 2007.

Four reverse designs are in development for the 2009 Abraham Lincoln Bicentennial One-Cent Coin. Designs are expected to be sent to the recipient organization and the Federal advisory bodies next quarter.

**Louis Braille Commemorative Coin Program (2009)**
The United States Mint has continued discussions with representatives of the National Federation of the Blind to finalize the design themes for the obverse and reverse of the silver commemorative coin.

**Medals**

**2007 Byron Nelson Congressional Gold Medal**
Public Law 109-357 authorizes the Department of the Treasury to produce a Congressional Gold Medal to be awarded posthumously to Byron Nelson in recognition of Mr. Nelson's significant contributions to the game of golf as a player, a teacher and commentator. The Byron Nelson Congressional Gold Medal was awarded posthumously to his widow in a ceremony on June 26, 2007. Duplicate bronze medals of the Congressional Gold Medal went on sale on April 26, 2007.
2007 First Spouse Medals – Martha Washington & Abigail Adams
Public Law 109-145 authorizes the Department of the Treasury to produce and sell bronze duplicate medals of the 24-Karat First Spouse Gold Coins. The Martha Washington and Abigail Adams bronze medals went on sale on June 19, 2007, and will be followed later in the year by Jefferson’s Liberty and Dolley Madison bronzes.

Norman E. Borlaug Congressional Gold Medal
On May 1, 2007, the Secretary of the Treasury approved the final designs for the Congressional Gold Medal honoring Dr. Norman E. Borlaug.

Dalai Lama Congressional Gold Medal
The design candidates for the Dalai Lama Congressional Gold Medal were presented to the Federal advisory bodies in May, and the recommended final designs were sent to the Secretary of the Treasury for final approval on June 13, 2007.

PUBLIC INFORMATION SITE
Several areas of the United States Mint’s public information website were updated to support the agency’s products and programs. For example, on June 21st a Circulating Coins section was added to incorporate all of the coins that the United States Mint produces for everyday commerce. The new Circulating Coins section already ranks as one of the more popular pages in the Coins and Medals section, as more than 30,000 people have visited those pages.

On May 25, hyperlinks were inserted on several Coins and Medals pages of the public information site that could take the site visitor directly to the catalog for specific products. Since the addition of the hyperlinks, more than 90,000 people have accessed those hyperlinks to gain access into the United States Mint Online Catalog. This was a direct result, uncovered in website usability testing, of satisfying customers’ desire to have more direct access to certain products.

Two new consumer issues were added to the Hot Items page under the Consumer Awareness section, which was renamed Consumer Alerts to better describe the content of the section. As a result of the name change, that section of the site has experienced a 30% increase in visits, and the average time spent on the pages has increased 13%.

The Presidential $1 Coin e-newsletter was sent out to more than 72,402 subscribers, and the Coins Online e-newsletter was sent out monthly to its more than 400,000 subscribers. In addition, the RSS (Really Simple Syndication) feed for the Product Information and Updates was the third most used section of the site. RSS feeds were just incorporated into the website at the beginning of this year and have proven to be a major vehicle for dispensing information to our visitors and customers.

The main site had 8,885,844 visits during the quarter, an increase of 32% over the same quarter last year. The average duration of a visit to the United States Mint website has gone up 182% in this quarter, compared to the same quarter last year, from 5:13 minutes to 14:43 minutes. This is attributed to the ongoing updates to current content and the creation of new content and features to the website.
QUALITY

The United States Mint conducts periodic product quality audits at its manufacturing facilities with a cross-functional team composed of production, quality, and administrative personnel. A statistically significant sampling of coin products is evaluated, and the number of "defects" found is entered into a weighted index formula. The objective of the United States Mint Quality Index (MQI) is to measure relative quality levels and detect changes and trends in quality; it does not represent a "percent of good products." The MQI is a viable metric for continual quality improvement at the United States Mint.

The graph illustrates composite MQI results of circulating coin products manufactured at the United States Mint at Denver and Philadelphia for the third quarter in FY07. Opportunities for improvement have been identified at both facilities.
SAFETY

The Lost Time Injury Rate (the number of work-related injuries and illnesses that result in one or more lost work days per 200,000 hours worked) was 0.66 through the third quarter of FY 2007. This is a 16% reduction over FY 2006, and puts us within striking distance of achieving our strategic plan goal for 2007 of 0.62. The Recordable Injury Rate, which covers all injuries and illnesses, increased to 3.52 through the third quarter of FY 2007. This constitutes a 2% increase over FY 2006.

Our Vision is Zero Injuries

[Graph showing a decrease in injury rates from FY'00 to FY'07.]

- Recordable Injury Rate
- Lost Time Injury Rate
AUDITS AND REPORTS

The Treasury Office of Inspector General (OIG) concluded a corrective action verification (CAV) as a follow-up to a previous FY 2004 audit on purchase cards, OIG Report number OIG-04-029, "Control Weaknesses and Poor Management Oversight in the United States Mint's Purchase Card Program." On April 5, 2007, the OIG issued the final version of the report "MANUFACTURING OPERATIONS: The Mint Has Taken Action to Improve Its Purchase Card Program (Corrective Action Verification on OIG-04-029)." The OIG validated that the corrective actions taken by the United States Mint corrected the previously reported conditions. The CAV is now closed.

The Government Accountability Office (GAO) initiated an engagement at the United States Mint to assess patterns of coin production, distribution and circulation from FY 2002 through 2006. The assessment was requested by the House Subcommittee on Domestic and International Monetary Policy, Trade, and Technology, Committee on Financial Services. An entrance conference was held on April 25, 2007, and discussions are ongoing between GAO and the United States Mint.
In a conference report to Public Law 104-52 that created the United States Mint Public Enterprise Fund (PEF), Congress directed the United States Mint to report quarterly on implementation of the PEF. This report is designed to fulfill that requirement.

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Fourth Quarter Fiscal Year (FY) 2007 Financials:

- Year-to-Date Comparison: Year-to-date revenues for the fourth quarter FY 2007 were 14% higher than year-to-date revenues for the fourth quarter FY 2006.
- Fourth Quarter Comparison: Revenues for the fourth quarter of FY 2007 were 5% lower than revenues for the fourth quarter of FY 2006.
- Comparison to Previous Quarter: Revenues for the fourth quarter of FY 2007 were 8% lower than revenues for the third quarter of FY 2007.

- On August 15, 2007, the United States Mint introduced the third Presidential $1 Coin, the Thomas Jefferson Presidential $1 Coin. United States Mint Director Edmund C. Moy and Jefferson descendants hosted the launch and coin exchange at the Jefferson Memorial in Washington, DC.
- On August 30, 2007, the third coin in the First Spouse $10 Gold Coin Program, the Thomas Jefferson Liberty Gold Coin, was introduced.
- The Idaho commemorative quarter-dollar coin was introduced on August 3, 2007, and the Wyoming commemorative quarter-dollar coin was introduced on September 14, 2007.
- On July 17, 2007, the Congressional Gold Medal was awarded to Dr. Norman E. Borlaug.

OTHER HIGHLIGHTS

On July 3, 2007, the Secretary of the Treasury approved the final designs for the Dalai Lama Congressional Gold Medal.
The United States Mint's primary responsibilities are:

- Producing an adequate volume of circulating coins for the United States to conduct its trade and commerce, and distributing these circulating coins to the Federal Reserve Bank;
- Striking national medals, including Congressional Gold Medals;
- Manufacturing, marketing and selling proof and uncirculated coins, commemorative coins and medals to the general public. These products are known as numismatic products. Their value generally depends on factors such as mintage, rarity, condition and age;
- Manufacturing, marketing and selling gold, silver and platinum bullion coins through the American Eagle and the American Buffalo Bullion Programs. The value of these bullion coins generally depends on their weight in specific precious metals. These products are not sold directly to the general public by the United States Mint. They are sold to Authorized Purchasers and are available to the general public through precious metal dealers, coin dealers, brokerage companies and participating banks;
- Safeguarding United States Mint assets and non-United States Mint assets that are in the United States Mint's custody, including bullion reserves at the Fort Knox Bullion Depository.

**STATUS OF THE PUBLIC ENTERPRISE FUND**

The United States Mint's Public Enterprise Fund is financed by the sale of circulating coins to the Federal Reserve and the sale of numismatic and bullion coins and other products to customers worldwide.

**YEAR-TO-DATE COMPARISON:**

<table>
<thead>
<tr>
<th>Table #1</th>
<th>COMPARISON OF YEAR-TO-DATE REVENUES FOR 4th QUARTER 2007 TO 4th QUARTER 2006 (Millions of Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Category</td>
<td>Year-to-Date through 4th Qtr FY 2007</td>
</tr>
<tr>
<td>Circulating</td>
<td>$1728</td>
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<tr>
<td>Numismatics</td>
<td>$563</td>
</tr>
<tr>
<td>Bullion</td>
<td>$356</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$2647</td>
</tr>
</tbody>
</table>

*Investment versions; proof versions are included in numismatic sales.*
Year-to-Date Circulating Collections: Year-to-date circulating collections through the fourth quarter of FY 2007 totaled $1728 million - up by 36% from the same period of FY 2006. (See Table #1) This increase is attributable, in large part, to the continued increase in orders from the Federal Reserve Bank resulting from the introduction of the Presidential $1 Coin.

The United States Mint’s circulating collections fluctuate because of variations in the United States economy and change demand for circulating coins by commercial establishments and the general public. To accommodate such demand changes, the United States Mint and the Federal Reserve Bank continually assess their inventories and the demand for circulating coins, and then adjust their production, ordering and delivery schedules accordingly.

Year-to-Date Numismatic Revenues: Year-to-date numismatic revenues through the fourth quarter of FY 2007 totaled $563 million - up by 7% from the same period of FY 2006. (See Table #1) This resulted from an increase in the number of non-bullion products sold, including new products that were not available in FY 2006, such as the Presidential $1 Coin Proof Set™ and First Spouse Gold Coins.

Year-to-Date Bullion Revenues: Year-to-date bullion revenues through the fourth quarter of FY 2007 totaled $356 million - down by 34% from the same period of FY 2006. (See Table #1) This decrease was attributed to an overall reduction in bullion sales because of high precious metals prices.

FOURTH QUARTER COMPARISON: FY 2007 TO FY 2006

<table>
<thead>
<tr>
<th>Table #2</th>
<th>COMPARISON OF 4TH QUARTER FY 2007 REVEnUES TO 4TH QUARTER FY 2006 REVEnUES (Millions of Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product Category</td>
<td>4th Qtr FY 2007</td>
</tr>
<tr>
<td>Circulating</td>
<td>$391</td>
</tr>
<tr>
<td>Numismatic</td>
<td>$179</td>
</tr>
<tr>
<td>Bullion*</td>
<td>$84</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$654</td>
</tr>
</tbody>
</table>

* Investment versions; proof versions are included in numismatic sales.

Circulating Fourth Quarter Comparison: Circulating collections for the fourth quarter of FY 2007 totaled $391 million - up by 29% from the same quarter of FY 2006. (See Table #2) This increase reflected the Federal Reserve Bank’s coin order for the new Presidential $1 Coin. Overall Federal Reserve coin orders were down from the same period in FY 2006 by 14% because of increased Federal Reserve inventory and decreased demand.
**Numismatic Fiscal Year Comparison:** Numismatic revenues for the fourth quarter of FY 2007 totaled $179 million - down by 24% from the same quarter of FY 2006. (See Table #2) This revenue decrease resulted from the decline in the number of American Buffalo Gold Proof Coins sold in FY 2007, which was in its second year of issue. Normally, a coin achieves the highest sales in the first year of issue. American Eagle Proof and Uncirculated Coins did increase compared to FY 2006's fourth quarter.

**Bullion Fiscal Year Comparison:** Bullion revenues for the fourth quarter of FY 2007 totaled $84 million - down by 43% from the same quarter of FY 2006. (See Table #2) This decrease was attributed to high precious metals prices, as well as the expected decline in sales for the American Buffalo Program, introduced in 2006.

### COMPARISON TO PREVIOUS QUARTER

<table>
<thead>
<tr>
<th>Product Category</th>
<th>4th Qtr FY 2007</th>
<th>3rd Qtr FY 2007</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Circulating</td>
<td>$391</td>
<td>$552</td>
<td>-29%</td>
</tr>
<tr>
<td>Numismatics</td>
<td>$179</td>
<td>$104</td>
<td>+72%</td>
</tr>
<tr>
<td>Bullion*</td>
<td>$84</td>
<td>$50</td>
<td>+68%</td>
</tr>
<tr>
<td>TOTAL</td>
<td>$654</td>
<td>$706</td>
<td>-7%</td>
</tr>
</tbody>
</table>

*Investment versions; proof versions are included in numismatic sales.

**Quarterly Circulating Comparison:** Circulating collections for the fourth quarter of FY 2007 totaled $391 million - down by 29% from the third quarter of FY 2007. (See Table #3) This collection's decrease is consistent with the United States Mint's shipment of 3.2 billion coins to the Federal Reserve Bank during the fourth quarter of FY 2007 - down by 36% from the five billion coins shipped during the third quarter of FY 2007.

**Projected First Quarter 2008 Circulating Collections:** Circulating collections are expected to decrease next quarter in concert with a decrease of the Federal Reserve's forecasted coin order to 2.3 billion coins. This is attributable to higher than normal seasonal increases to Federal Reserve inventory during the fourth quarter of 2007 and a plan to reduce total operating inventory levels across the Federal Reserve system.

**Quarterly Numismatic Comparison:** Numismatic revenues for the fourth quarter of FY 2007 totaled $179 million - up by 72% from the third quarter of FY 2007. (See Table #3) This revenue increase resulted from the sales increase in the American Eagle and American Buffalo Coins this quarter.

**Projected First Quarter Numismatic Revenues:** Next quarter’s revenues are expected to increase because the 2007 United States Mint Gift Catalog will be mailed this quarter. This catalog includes the
majority of the United States Mint's products, including the American Legacy Collection. In December, another brochure highlighting five new Presidential $1 Coin products will be mailed.

**Quarterly Bullion Comparison:** Bullion revenues for the fourth quarter of FY 2007 totaled $84 million - up by 68% from the third quarter of FY 2007. (See Table #3) This revenue increase was a result of the seasonal demand for bullion coins.

**Projected First Quarter 2008 Bullion Revenues:** Bullion revenues are expected to remain comparable to this quarter's revenue.

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**UPDATE ON ACTIVITIES**

**50 State Quarters® Program**

**IDAHO QUARTER LAUNCH**

United States Mint Director, Edmund C. Moy, joined Secretary of the Treasury Henry M. Paulson Jr.: Secretary of the Interior Dirk Kempthorne; and Idaho State Treasurer Ron G. Crane to launch the Idaho commemorative quarter-dollar in a ceremony on August 3, 2007, at the Boise Depot in Boise, Idaho. Larry Gebert, Anchor of KTVB-NBC News, served as the Master of Ceremonies.

The Idaho quarter was the third quarter of 2007, and the 43rd to be introduced in the United States Mint's 50 State Quarters® Program. The reverse of the Idaho quarter features the Peregrine Falcon imposing its presence above an outline of the State of Idaho. The coin bears the inscriptions "Esto Perpetua" (the State motto meaning "May it be Forever"), "Idaho," "1890," and "2007."

*Idaho Commemorative Quarter-Dollar Coin*
WYOMING QUARTER LAUNCH

Director Moy joined Wyoming Governor David D. Freudenthal to launch the Wyoming commemorative quarter-dollar in a ceremony on September 14, 2007, at the Cheyenne Civic Center in Cheyenne, Wyoming. Pete Williams, NBC News Correspondent, served as the Master of Ceremonies for the event.

The Wyoming quarter was the fourth quarter of 2007, and the 44th to be introduced in the United States Mint's 50 State Quarters® Program. The reverse of the Wyoming quarter features a bucking horse and rider with the inscriptions “The Equality State,” “Wyoming,” “1890,” and “2007.”

Wyoming Commemorative Quarter-Dollar Coin

PRESIDENTIAL $1 COIN ACT OF 2005

THOMAS JEFFERSON PRESIDENTIAL $1 COIN LAUNCH

The Thomas Jefferson Presidential $1 Coin launch and coin exchange was held at the Jefferson Memorial in Washington, D.C., on August 15, 2007. This is the third release in the Presidential $1 Coin Program. The launch featured Thomas Jefferson re-enactors and the release of the results of a national survey commissioned by the United States Mint to test citizens’ knowledge of American Presidents. Children in the crowd were given Thomas Jefferson Presidential $1 Coins, and a coin exchange allowed members of the public to receive the Thomas Jefferson Presidential $1 Coins one day before they went into general circulation.

PRESIDENTIAL $1 COIN OUTREACH

The United States Mint kicked off the fourth quarter of FY 2007 with a coin users group forum on July 12, 2007, hosted jointly by the United States Mint and the Federal Reserve Bank. Attendees included representatives from Federal entities; transit authorities; retail, vending, coin equipment, banking and armored carrier industries; and the Presidential $1 Coin Coalition. The forum provided interaction with attendees through Question and Answer sessions, presentations and panel discussions. Feedback and suggestions from attendees were compiled and documented, and this information will assist the United

6
States Mint and Federal Reserve Bank to continue to break down barriers to the robust circulation of $1 coins.

During the fourth quarter, the United States Mint commissioned the services of the Gallup Organization to determine the level of the public's knowledge about the Presidents through the use of a nationwide survey. This information was then used to stimulate interest in the release and use of the Thomas Jefferson Presidential $1 Coin.

The ceremonial launch of the Thomas Jefferson $1 Coin took place on August 15, 2007, with a press conference and coin exchange at the Jefferson Memorial in Washington D.C. The United States Mint reached a major milestone of approximately one billion audience impressions from the year's outreach initiatives.

United States Mint and Federal Reserve Bank representatives delivered a presentation to members of the American Military Bankers Association (AMBA) at its annual fall workshop on September 18, 2007. This joint presentation clarified the intent of the Presidential $1 Coin Act of 2005 (Act) and allowed members of the AMBA to ask questions about their responsibilities in meeting the mandates of the Act.

FIRST SPOUSE 24-KARAT GOLD COINS

The United States Mint, through the authorization granted in the Act, is honoring our Nation’s First Spouses by issuing one-half ounce, 24-karat gold proof and uncirculated coins featuring their images in the order that they served as First Spouse. The Act contains a provision to provide continuity of the First Spouse Gold Coin Program during those times in which a President served without a First Spouse. This provision applies to Thomas Jefferson, whose wife Martha died in 1782. The gold coins issued to accompany any President who served without a spouse feature an obverse design emblematic of Liberty as depicted on a United States coin originally issued during the President’s time in office. For Thomas Jefferson’s Presidency, the selected image appeared on the Draped Bust Half-Cent coin from 1800-1808.

The Thomas Jefferson’s Liberty Gold Coins were released on August 30, 2007, reaching their maximum mintage numbers on the first day of issue, 40,000 total coins. The Dolley Madison Gold Coin, the last in the series for calendar year 2007, will be released in late November.

FIRST SPOUSE DESIGN PROCESS

After the design narratives were reviewed by the Citizens Coin Advisory Committee (CCAC) in August, the United States Mint consulted with national scholars and historians to review the design narratives for the five First Spouses to be honored in 2009 - Anna Harrison, Letitia Tyler, Julia Tyler, Sarah Polk, and Margaret Taylor. The design development will continue according to schedule.

AMERICAN BUFFALO 24-KARAT GOLD COINS

This quarter, 27,000 ounces of American Buffalo 24-Karat Gold Bullion Coins and approximately 38,500 American Buffalo 24-Karat Gold Proof Coins were sold.

ARTISTIC INFUSION PROGRAM

In July and August, the Artistic Infusion Program (AIP) artists were assigned to develop the obverse and reverse designs for the 2009 Lincoln Commemorative Coin Program and the 2009 Louis Braille - Braille Literacy Commemorative Coin Program.
UNITED STATES MINT EDUCATIONAL INITIATIVE (MEI)

Educational content was added to the H.I.P. Pocket Change™ website, including the Time Machine. The interactive cartoon was updated with a trip to the World War II era. The summer edition of the quarterly online newsletter, Making Cents, was added, and the “State Quarter Day in the Classroom” page featured Idaho in July and Wyoming in September.

Features on Independence Day and back to school were created. The “Coin of the Month” section featured the Idaho commemorative quarter-dollar coin in July, the Thomas Jefferson Presidential $1 Coin in August, and the Wyoming commemorative quarter-dollar coin in September.

The H.I.P. Pocket Change™ website had over 925,000 visits during the quarter, an increase of 39% over the same quarter last year. In addition, 11,290 Presidential $1 Coin lesson plans, 25,424 Westward Journey Nickel Series lesson plans, and over 329,000 50 State Quarters® lesson plans were downloaded during this quarter, a 78% increase over the same quarter last year.

The United States Mint Educational Initiative team staffed a booth at the American Federation of Teachers conference in Washington, D.C., in July. The conference attracted more than 3,000 educators. More than 200 educators signed up for the Teachers’ Network.

LICENSING AND LICENSING AGREEMENTS

The United States Mint Office of Licensing continues to maintain licensing agreements with three licensees. These licensees manufacture and market a variety of “Official United States Mint Licensed Products” through various channels. The licensees are as follows:

- Whitman Publishing
- Peak Capital Group, LLC
- Hallmark Group, Ltd.

During the fourth quarter of FY 07, the United States Mint’s licensing activities have earned royalties of approximately $55,567 and $282,800 in coin sales.

Partnerships

There was no new partnership activity during the quarter.

OTHER HIGHLIGHTS

COMMEMORATIVE COIN PROGRAMS

Numismatic and Circulating

American Bald Eagle Recovery and National Emblem Commemorative Coin Program Design Process
The Secretary of the Treasury approved the final designs for the 2008 American Bald Eagle Recovery and National Emblem Commemorative Coin on July 3, 2007. This is a three-coin program, including a $5 gold coin, a silver dollar, and a clad half-dollar. Currently, this is the only program scheduled for 2008.

Abraham Lincoln Bicentennial One-Cent Coin Redesign
In July and August, the Abraham Lincoln Bicentennial Commission reviewed the design candidates for the four reverse designs representing the four aspects of Abraham Lincoln’s life. After the designs were revised, the design candidates were presented to the Federal advisory bodies at their scheduled meetings in September.
Abraham Lincoln Commemorative Coin Program Design Process
The design candidates for the silver dollar commemorating the presidency of Abraham Lincoln were developed in July-August and are scheduled to be reviewed by the Abraham Lincoln Bicentennial Commission in early October.

Louis Braille Commemorative Coin Program Design Process
The designs for the silver dollar commemorating the bicentennial of the birth of Louis Braille and Braille Literacy efforts were assigned to the United States Mint Sculptor-Engravers and the AIP artists for development in early September. The design candidates are scheduled to be reviewed by the National Federation of the Blind in mid-October.

Native American $1 Coin Design Process
The design process for the Native American $1 Coin Program has been drafted and will be forwarded to the Secretary of the Treasury for approval.

Medals

Norman E. Borlaug Congressional Gold Medal Design Process
On July 17, the Congressional Gold Medal was awarded to Dr. Norman E. Borlaug. Bronze duplicates of the medals also went on sale to the public.

Dalai Lama Congressional Gold Medal Design Process
The Secretary of the Treasury approved the final designs for the Congressional Gold Medal honoring the 14th Dalai Lama of Tibet on July 3, 2007. The medal is scheduled to be awarded to the Dalai Lama on October 17, 2007.

PUBLIC INFORMATION SITE

The United States Mint website had 9,467,100 visits during the fourth quarter, an increase of 59% over the same quarter last year. The average duration of a visit to the United States Mint website has gone up 201% in this quarter compared to the same quarter last year, from 4:49 minutes to 14:32 minutes. In addition, there was a 177% increase in the number of repeat visitors from 342,560 to 950,160. These major increases can be attributed to the ongoing updates to current content and the creation of new content and features to the website.

The three sections with the largest increase in visits in the fourth quarter FY 2007 compared to the fourth quarter FY 2006 were the:

- "Consumer Alerts" page (recently renamed from "Consumer Awareness") with 63% more visits;
- "Coins and Medals" page (renamed from "Special Programs") with a 43% increase in visits; and
- "Pressroom" page, with a 42% increase in visits.

Earlier this year, the United States Mint inserted hyperlinks that could take the site visitor directly to the catalog for specific products. This quarter alone, these hyperlinks were used more than 180,000 times to gain access to the United States Mint Online Catalog.

The United States Mint sent the Presidential $1 Coin e-newsletter to more than 80,000 subscribers, and sent the Coins Online e-newsletter monthly to its more than 400,000 subscribers. In addition, the Really Simple Syndication (RSS) feeds were the third most accessed section of the site. The United States Mint added Presidential $1 Coin News and Website Updates to the RSS feed list this quarter, as RSS feeds prove to be a major vehicle for dispensing information to our visitors and customers.
QUALITY

The United States Mint conducts periodic product quality audits at its manufacturing facilities with a cross-functional team composed of production, quality, and administrative personnel. A statistically significant sampling of coin products is evaluated and the number of ‘defects’ found is entered into a weighted index formula. The objective of the United States Mint Quality Index (MQI) is to measure relative quality levels and detect changes and trends in quality; it does not represent a ‘percent of good products.’ The MQI is a viable metric for continual quality improvement at the United States Mint. Opportunities for improvement have been identified.

SAFETY

The two indicators used to measure safety are the Lost Time Injury and Illness Rate (work-related injuries resulting in time off from work) and the Recordable Injury Rate (injuries resulting in restricted work activity, medical treatment, and days away from work). In FY 2007, there were 16 lost time injuries, corresponding to a Lost Time Injury Rate of 0.88, which falls short of the strategic plan goal of 0.62. In FY 2007, there were 64 recordable injuries, resulting in a Recordable Injury Rate of 3.51, which is slightly higher than FY 2006. The United States Mint at West Point completed its second consecutive year without a lost time accident. In addition, two other sites experienced only one lost time injury during FY 2007. The United States Mint will intensify its efforts to resume the positive trend established over the past seven years, and will redouble efforts to decrease the number of injuries.
AUDITS AND REPORTS

The Treasury Office of Inspector General (OIG) initiated a review of the Bureau of the Public Debt Administrative Resource Center’s (ARC) administration of the Workers’ Compensation Program on behalf of the United States Mint, Alcohol and Tobacco Tax and Trade Bureau, and the OIG. The review objective was to assess program effectiveness in monitoring employee worker’s compensation payments. Based on its preliminary work, which included contacting Treasury customers who used ARC services, the OIG has determined it will not continue with the workers’ compensation audit and has issued a memorandum of termination for this audit.

The OIG issued an engagement memorandum on September 17, 2007, announcing an audit of the United States Mint’s controls over production scheduling. The audit objective will be to examine how product demand is determined and how production is scheduled accordingly.
UNITED STATES MINT  
Report to Congress on Operations  
From April 1 through June 30, 2009  
Third Quarter Fiscal Year 2009

Third Quarter Fiscal Year (FY) 2009 Financials: FY 2009 third quarter total revenue increased 13 percent from the same quarter last year, as 121 percent growth in bullion revenue offset 19 percent and 39 percent declines in circulating and numismatic revenue, respectively.

Presidential $1 Coin Act: The tenth coin in the Presidential $1 Coin Program honors President John Tyler and was released to the general public on May 21, 2009. Shipments of the John Tyler Presidential $1 Coin to the Federal Reserve Bank totaled $85.4 million coins at the close of the third quarter of FY 2009.

2009 District of Columbia and U.S. Territories Quarters Program: United States Mint Director Edmund C. Moy joined Governor Luis Fortuno for a ceremonial launch of the Puerto Rico commemorative quarter-dollar coin in San Juan on April 2, 2009. The event took place at Old San Juan's La Arcada in Paseo La Princesa.

On June 3, 2009, Director Moy joined Governor Felix Camacho and first lady Joann Camacho at a ceremony at Skinner Plaza in Hagatna, Guam, to celebrate the release of the Guam commemorative quarter-dollar. The Guam quarter, the third in the program series, was released into circulation on May 26, 2009.

Native American $1 Coin Act
The first coin in the annual Native American $1 Coin series, featuring Sacagawea and her infant son on the obverse and an Indian woman practicing "Three Sisters" agriculture on the reverse, was released to the public on January 2, 2009. Through the third quarter of FY 2009, 23.8 million Native American $1 Coins have been disbursed through the United States Mint's Circulating $1 Coin Direct Ship program.

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Vision and Goals of the United States Mint

The vision of the United States Mint is "to embody the American spirit through the creation of our nation's coins and medals." The United States Mint is committed to minimizing costs, streamlining operations, and ensuring that every product illustrates our American values and history. The United States Mint established the following strategic goals to uphold its vision:

- Establish and reinforce the exclusive brand identity of the United States Mint;
- Create and execute the most effective coin and medal portfolio strategy;
- Achieve greater excellence in coin and medal design;
- Increase operational efficiency while meeting the highest quality standards;
- Develop optimal workforce and workplace culture.

Responsibilities of the United States Mint

The United States Mint's primary responsibilities are the following:

- Enabling commerce by minting and issuing circulating coins in amounts necessary to meet the needs of the United States.
- Striking national medals, including Congressional Gold Medals.
- Manufacturing, marketing and selling proof and uncirculated coins, commemorative coins and medals to the general public. The value of these products, known as numismatic items, generally depends on factors such as mintage, rarity, condition and age.
- Manufacturing, marketing and selling gold, silver and platinum bullion coins through the American Eagle and American Buffalo Bullion Programs. The value of bullion coins generally depends on their weight in specific precious metals. These products are sold by the United States Mint to Authorized Purchasers. The coins are available to the general public through precious metal and coin dealers, brokerage companies and participating banks.
- Safeguarding United States Mint assets and non-United States Mint assets in the bureau's custody, including bullion reserves at the United States Bullion Depository at Fort Knox.

Current Business Environment

The current economic environment significantly affects the United States Mint's main operating programs in different ways. This year, slowing economic activity reduced retailers' and the public's demand for circulating coins for use in cash transactions. Commercial banks and other financial institutions curtailed orders for coins and returned excess coins to the Federal Reserve Banks (FRB). The FRB decreased orders for newly minted coins in response to these conditions. The FRB also recently began targeting much lower inventory levels, further reducing their need for newly minted coinage. While prices for copper, nickel and zinc remain below highs experienced in prior fiscal years, they have exhibited upward trends in recent months.

Declining economic conditions likely suppress consumer spending on collectibles, but also drive investors to precious metal markets as safe havens from declining equity markets. Demand for the United States Mint's gold and silver bullion coins remains at unprecedented levels this year. The volume of precious metal planchets the agency's suppliers provide could limit the number of bullion coins the United States Mint could produce and sell in the first two quarters of FY 2009. In response, the United States Mint diverted planchets from the numismatic program and attempted to procure additional supplies. Demand for bullion products has showed some signs of easing in recent months. However, the United States Mint expects demand for bullion coins to remain strong for a sustained period until economic conditions improve and investors are drawn toward alternative investments.
Status of the Public Enterprise Fund

The United States Mint’s Public Enterprise Fund is financed by the sale of circulating coins to the Federal Reserve and the sale of numismatic and bullion coins and other products to customers worldwide.

<table>
<thead>
<tr>
<th>Total Third Quarter Revenue (in millions)</th>
<th>2009 Third Quarter Revenue by Segment</th>
<th>Total Year to Date Revenue (in millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$706</td>
<td>Circulating 22%</td>
<td>$1,993</td>
</tr>
<tr>
<td>$677</td>
<td>Numismatic 14%</td>
<td>$2,007</td>
</tr>
<tr>
<td>$688</td>
<td>Bullion 64%</td>
<td>$2,257</td>
</tr>
<tr>
<td>2007</td>
<td></td>
<td>2008</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2009</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Third Quarter Ended June 30, Year to Date</th>
<th>% Change</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Circulating</td>
<td>$148</td>
<td>$388</td>
</tr>
<tr>
<td>Numismatic</td>
<td>$99</td>
<td>$91</td>
</tr>
<tr>
<td>Bullion</td>
<td>$441</td>
<td>$198</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$688</td>
<td>$677</td>
</tr>
</tbody>
</table>

*Numismatic figures without bullion and include surcharges.

Circulating

Third quarter revenue from circulating operations totaled $148 million in FY 2009, down 62 percent from the same period in FY 2008. Circulating shipments to the Federal Reserve Banks totaled 0.94 billion coins in the third quarter of FY 2009, a 71 percent decline from the 3.2 billion coins shipped in the third quarter of FY 2008. Based on the most recent projections from the Federal Reserve, circulating shipments for the fourth quarter FY 2009 are expected to be 1.2 billion coins compared to 2.8 billion coins shipped during the fourth quarter of FY 2008, a 57 percent decrease. The decrease in orders for circulating coinage this year reflects low economic demand for coins and Federal Reserve Banks’ efforts to reduce the amount of coins in their inventories.

Comparatively lower metal prices for copper, nickel, and zinc has reduced the current per-unit metal costs for all denominations compared to prior years. This reduction is being offset by the current low production volumes which are causing fixed and allocated costs to be spread over fewer units. The daily metals prices have been trending upward in the past few months, which is expected to increase per-unit costs in subsequent fiscal quarters. This operating environment will result in low revenues and low seigniorage generated from circulating operations in FY 2009 compared to prior years.

Numismatic

Numismatic revenue for the third quarter of FY 2009 totaled $99 million, up nine percent from the same quarter in FY 2008. This increase can be attributed to the release of the 2009 United States Mint Proof Set® in June 2009, and strong demand for the 2009 Lincoln Bicentennial One-Cent Two-Roll Set. Cumulative numismatic revenue year to date through the third quarter of FY 2009 totaled $343 million, down 22% from the same period of FY 2008. This overall decline can be attributed to fewer products on
sale compared to last year as precious metal planchets have been diverted to fulfill demand for bullion products. Economic conditions may have suppressed a portion of the public's spending for numismatic products, though the extent of this is unclear, because similar product lines have not been available for sale this year compared with last year. As of the end of the third quarter, the United States Mint has not yet released 2009 American Eagle Gold and Silver Proof Coins, 2009 Uncirculated Coin Sets, and 2009 Silver Proof Sets – some of our core annual numismatic products. A large portion of revenue from sales of these products will be pushed to next fiscal year.

Bullion

During the third quarter of FY 2009, the United States Mint continued to experience unprecedented demand for gold and silver bullion coins. Bullion revenues for the third quarter of FY 2009 totaled $441 million, up 123 percent from the same quarter in FY 2008. The United States Mint lifted allocations for American Eagle Gold and Silver One-Ounce Bullion Coins to Authorized Purchasers on June 15, 2009, and currently the United States Mint is able to meet demand for these bullion coins. Total FY 2009 revenue is $1.31 billion. This is the highest revenue since the inception of the American Eagle Bullion Program in 1986. With three months remaining in the fiscal year, bullion revenues have already surpassed the total FY 2008 bullion revenue of $949 million by 38 percent.

Consolidated

The United States Mint's revenue from third quarter operations totaled $688 million, up two percent from the same period in FY 2008. Year-to-date revenue continues to exceed last year's levels as increases in bullion sales offset decreases in both the circulating and numismatic activity.
Update on Activities

Presidential $1 Coin Act

John Tyler Presidential $1 Coin

The United States Mint held a launch ceremony for the John Tyler Presidential $1 Coin on May 19, 2009, at Sherwood Forest Plantation in Charles City, Virginia, the home of President Tyler. Tyler’s grandson, Harrison Tyler, joined United States Mint Deputy Director Andy Brunhart to celebrate the coin’s release into general circulation on May 21, 2009. The John Tyler Presidential $1 Coin is the 10th released in the series.

Shipments of the John Tyler Presidential $1 Coins to the Federal Reserve Banks totaled 84.5 million coins at the close of the third quarter of FY 2009. Shipments of previously issued Presidential $1 Coins are as follows:

<table>
<thead>
<tr>
<th>Presidential $1 Coin Design</th>
<th>Coins Shipped (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 George Washington</td>
<td>304</td>
</tr>
<tr>
<td>2 John Adams</td>
<td>200</td>
</tr>
<tr>
<td>3 Thomas Jefferson</td>
<td>170</td>
</tr>
<tr>
<td>4 James Madison</td>
<td>142</td>
</tr>
<tr>
<td>5 James Monroe</td>
<td>114</td>
</tr>
<tr>
<td>6 John Quincy Adams</td>
<td>105</td>
</tr>
<tr>
<td>7 Andrew Jackson</td>
<td>96</td>
</tr>
<tr>
<td>8 Martin Van Buren</td>
<td>99</td>
</tr>
<tr>
<td>9 William Henry Harrison</td>
<td>97</td>
</tr>
</tbody>
</table>

Demand and use of circulating $1 coins

Net pay, the difference between coins distributed by the Federal Reserve Banks to commercial banks and coins returned from commercial banks, totaled $34 million for all $1 coins in the third quarter of FY 2009, a 46 percent decline from the same quarter in FY 2008. Additionally, third quarter net pay represented a 24 percent increase from the second quarter total of $27 million. Corresponding with the shipment data above, net pay for $1 coins has been trending downward steadily since the release of the first Presidential $1 Coin in January 2007. While declining economic activity has an effect on $1 coin demand, a downward trend is expected as the initial excitement related to the program subsides over time. More than 7.7 million Presidential $1 Coins were disbursed through the Circulating $1 Coin Direct Ship Program during the third quarter.

Outreach

The third quarter of FY 2009 was spent developing and refining a follow-on $1 Coin Robust Circulation Program based on lessons learned and insights gained from the four-city pilot.

Native American $1 Coins

Native American $1 Coins, authorized by Public Law 110-82, were released into circulation on January 2, 2009. The law stipulates that the number of Native American $1 Coins issued in a year be at least 20 percent of the total number of $1 coins minted and issued annually. Because of this mandate, and the Federal Reserve Banks’ current reluctance to order Native American $1 Coins, the United States Mint is making the coins available through its Circulating $1 Coin Direct Ship Program. As of the third quarter of FY 2009, 23.8 million Native American $1 Coins have been disbursed through this program. The law also
Update on Activities

directs the Secretary of the Treasury to carry out an aggressive, cost-effective, continuing campaign to encourage commercial enterprises to accept and dispense Native American $1 Coins. To meet this requirement, the United States Mint will actively promote Native American $1 Coins through its expanded $1 Coin Robust Circulation Program and other internal programs.

Outreach

In the third quarter of FY09, the United States Mint worked with representatives of the Bureau of Indian Affairs and various Native American groups to encourage use of Native American $1 Coins within the Native American business community.

2009 District of Columbia and U.S Territories Quarters Program

On April 2, 2009, United States Mint Director Edmund C. Moy and Governor Luis Fortuno placed a mockup of the Puerto Rico commemorative quarter-dollar coin on a giant map, signaling the ceremonial launch of the United States Mint’s latest coin release. Puerto Rico’s striking quarter design evokes its tropical beauty, rich history and culture. Joining the celebration were Puerto Rico’s first lady, Luce Vela, and Secretary of State Kenneth McClintock, who handed out the shiny new coins. Puerto Rico officially became a United States commonwealth on July 25, 1952. The Commonwealth of Puerto Rico commemorative quarter released into circulation on March 30 is the second of six new coins in the 2009 District of Columbia and U.S. Territories Quarters Program which.

The United States Mint also introduced the Guam commemorative quarter-dollar in a ceremony at Skinner Plaza in Hagatna, Guam, with Director Moy and Guam Governor Felix Camacho and the first lady, Joann Camacho. The Guam commemorative quarter-dollar, released into circulation on May 26, 2009, is the third in the 2009 District of Columbia and U.S. Territories Quarters Program.

2009 Lincoln Bicentennial One-Cent Program

The United States Mint held a ceremonial launch on May 14, 2009, at the Lincoln Amphitheatre in Lincoln State Park in Lincoln City, Indiana, to mark the release of the second redesigned one-cent coin struck in honor of the bicentennial of Abraham Lincoln’s birth. The coin, released into circulation the same day, features a reverse design emblematic of Lincoln’s formative years in Indiana.

Circulating versions of the coins were released for sale in specially wrapped two-roll sets. From May 14 through June 30, 2009, the United States Mint took orders for 265,294 two-roll sets.

The United States Mint will mint and issue two additional one-cent coins in 2009 with reverse designs emblematic of Lincoln’s professional life in Illinois and his presidency in Washington, D.C. It will also mint and issue numismatic one-cent coins with the exact metallic content contained in the 1909 Lincoln Cent – 95 percent copper, three percent zinc and two percent tin. These will feature proof and uncirculated finishes, and will be offered for sale in numismatic annual sets, a special Lincoln Coin and Chronicles Set and a four-coin 2009 Lincoln Bicentennial One-Cent Proof Set.

2009 Ultra High Relief Double Eagle Gold Coin Program

Using 21st century design technology, Augustus Saint-Gaudens’ original 1907 Double Eagle liberty design was updated to reflect the year 2009 in Roman numerals (MMIX), four additional stars reflecting the current 50 states and the inscription IN GOD WE TRUST. The 2009 coin is made of 24-karat gold and includes a small border for a more consistent edge. A total of 11,259 units of the 2009 Ultra High Relief Double Eagle Gold Coin were sold during the third quarter. Unaudited figures show that a total of 68,319 coins were sold from January 22 to June 30, 2009.

In an effort to increase sales and expand its customer base, the United States Mint created an advertising campaign specifically for this product. Print advertisements and online banners featuring the coin were created to promote the coin and direct customers to an online “Landing Experience”
Update on Activities

(www.uhrgoldcoin.gov), which features information about the history of this coin and a 360-degree look. Print and online advertisements started on May 26, 2009, and are expected to run through December.

Coin and Medal Design Information

2010 Lincoln Bicentennial One-Cent Coin Design Process
The candidate reverse designs for the 2010 and beyond Lincoln Cent, emblematic of President Lincoln's preservation of the Union, were presented to the Federal advisory committees, the U.S. Commission of Fine Arts (CFA) and Citizens Coinage Advisory Committee (CCAC), in April. The final reverse design is pending approval by the Secretary of the Treasury.

2010 Native American $1 Coin Program Design Process
The candidate reverse designs for the 2010 Native American $1 Coin, representing the theme “Government - the Great Tree of Peace,” were presented to the CFA and CCAC in April. Comments of both committees were then shared with the consulting groups -- the National Congress of American Indians, the Senate Committee on Indian Affairs and the Congressional Native American Caucus of the House of Representatives.

2010 America's Beautiful National Parks Quarter Dollar Coin Act of 2008 Quarters Design Process
In consultation with National Park Service, U.S. Fish and Wildlife Service, U.S. Forest Service and the chief executives of each host jurisdiction, the recommended sites for the 50 states, District of Columbia and five U.S. territories are being reviewed for eligibility and appropriateness. The list of the 56 sites will be transmitted to the Secretary of the Interior in early July to validate the appropriateness of the sites and the dates they were first established.

2010 American Veterans Disabled for Life Commemorative Coin Design Process
The candidate designs for this commemorative coin were presented to the CFA and CCAC in May. The final obverse and reverse designs are pending approval by the Secretary of the Treasury.

2010 Boy Scouts of America Centennial Commemorative Coin Design Process
Design development for this commemorative coin concluded in May, and the candidate designs were presented to the CFA and CCAC in June.

2010 First Spouse Gold Coin Program
The designs for the First Spouse Gold Coin and Medal obverse and reverse designs honoring Abigail Fillmore, Jane Pierce, President James Buchanan's Liberty and Mary Todd Lincoln were developed during the fiscal 2009 third quarter. In June, the candidate designs were transmitted to consulting historians for review and comment.

Daw Aung San Suu Kyi Congressional Gold Medal Design Process
The designs for the medal honoring Burmese human rights activist Daw Aung San Suu Kyi were approved by the Secretary of the Treasury on May 7, 2009.

Director Edmund C. Moy Medal Design Process
The candidate designs for the medal honoring the Director of the United States Mint were presented to the Citizens Coinage Advisory Committee in June and are scheduled to be presented to the U.S. Commission of Fine Arts in July.

Other Design
Design development for the Congressional Gold Medal honoring the artist Constantino Brumidi was in its initial stages during the fiscal 2009 third quarter.

Legislative Update

111th Congress Convenes
By the end of the third quarter, there were 18 commemorative coin bills and 22 Congressional Gold Medal bills introduced in the House and Senate and referred to committee during the 111th Congress.
Update on Activities

The Women Airforce Service Pilots (WASP) Congressional Gold Medal Act (S. 614) was passed by Congress on June 16, 2009, and presented to President Barack Obama for signature on June 24, 2009.

The United States Mint’s Legislative Affairs Office continued or initiated consultations of previously enacted public laws to begin the design and manufacturing process. This included the following:

- America’s Beautiful National Parks Quarter Dollar Act of 2008
- United States Army Commemorative Coin Act of 2008
- Code Talkers Recognition Act of 2008
- Constantino Brumidi Congressional Gold Medal
- Stephanie Tubbs Jones Gift of Life Medal Act of 2008
- Civil Rights Act of 1964 Commemorative Coin Act

2009 Lincoln Bicentennial One-Cent Coin Exchange

The United States Mint held the second of four planned 2009 Lincoln Penny exchanges on Capitol Hill on May 15, 2009, and exchanged about 1,000 rolls for Members of Congress, staff and the general public in the Rayburn House Office Building. There will be four new reverses for the Lincoln one-cent coin in 2009 during the bicentennial of his birth. The second of those designs features Lincoln sitting on a log reading representing his formative years in Indiana with the inscriptions, “United States of America,” “E Pluribus Unum,” and “One Cent.” The next two reverse designs will be issued late in the year and will represent his professional life in Illinois and his presidency in Washington, D.C.

Alternative Materials for Circulating Coins

Metal constitutes the largest portion of overall production costs and a dramatic increase in metal prices can have a significant effect on circulating coinage results. In any environment, changing the composition of all circulating coins to less expensive materials could save the United States Treasury millions of dollars a year without compromising the utility of these coins. Accordingly, the United States Mint stands ready to work with the Department of the Treasury and the Congress to examine alternatives to mitigate the effect rising metal prices can have on circulating coinage.
PROGRAM-WIDE SUMMARY

Modern commemorative coins authorized by Congress and produced by the United States Mint date from the introduction of the George Washington 250th Anniversary Half-Dollar in 1982. Congress has authorized a total of 51 commemorative coin programs through 2009, honoring people, places, events and institutions of significance in American history and culture. Surcharges from the sales of these coins are authorized to help fund a variety of organizations and projects that benefit the community at large. United States Mint commemorative coin programs have collected approximately $469.4 million in surcharges over the past 26 years for many worthy recipient organizations.

Commemorative coins are beneficial to numismatic enthusiasts and the recipient organizations, but they also reaffirm the history of our Nation. To ensure that commemorative coin programs reap the benefits of the reforms of 1996, the United States Mint must continue to execute and oversee these coin programs in a conscientious, prudent and business-like manner.

FINANCIAL REPORTING

The matching funds criterion established by the Commemorative Coin Reform Act of 1996 (CCRA), as amended by Title II of Public Law 108-15 (April 23, 2003), requires commemorative coin programs to link public funding of special projects to private support by requiring recipient organizations to show receipts of donations from private sources “in an amount that is equal to or greater than the total amount of the proceeds of such surcharge derived from the sale of such numismatic item.” The CCRA makes commemorative coin program recipient organizations partners in bearing the risks of commemorative coin programs, and it assures that the United States Mint recovers its cost of operating such coin programs.

The estimated program margin is total net revenue minus net operating cost less surcharges collected. This quarterly interim analysis was prepared using the accrual basis of accounting.

2007 Jamestown 400th Anniversary Commemorative Coin Program

Public Law 108-289, signed August 6, 2004

Legislation signed into law authorized a commemorative coin program honoring Jamestown, the first permanent English settlement in America. This was a two-coin program with a gold $5 coin and a silver dollar. The coins have a maximum mintage of 500,000 silver coins and 100,000 gold coins.

Analysis of Financial Position

Sales of Jamestown 400th Anniversary Commemorative Coins began on January 10, 2007, and the coins were issued through December 31, 2007. Through the end of the third quarter of FY 2008, the United States Mint shipped a total of 404,496 coins, generating total program revenue of $28.1 million. The program collected over $5.69 million in surcharges and currently shows a profit of approximately $2.3 million.

The eligible designated recipient organizations for qualifying surcharges under this program are the Jamestown-Yorktown Foundation of the Commonwealth of Virginia, the Department of the Interior, and the Association for the Preservation of Virginia Antiquities. No surcharges have been paid for this program.
2007 Little Rock Central High School Desegregation 50th Anniversary Coin Program

Public Law 109-146, signed December 22, 2005

Legislation signed into law authorized a silver dollar to commemorate the 50th anniversary of the desegregation of Little Rock Central High School in Little Rock, Arkansas, in 1957. The silver dollar has a maximum mintage of 500,000 coins.

Analysis of Financial Position

Sales of the Little Rock Central High School Desegregation Silver Coin began on May 15, 2007, and the coin was issued through December 31, 2007. Through the end of the third quarter of FY 2008, the United States Mint shipped a total of 190,771 coins, generating total program revenue of $7.7 million. The program collected $1.9 million in surcharges and currently shows a profit of approximately $700,000.

The eligible designated recipient organization for qualifying surcharges under this program is the Department of Interior (to be used for purposes related to the Little Rock Central High School Historic Site). No surcharges have been paid for this program.

2008 Bald Eagle Commemorative Coin Program

Public Law 108-486, signed December 23, 2004

The 2008 Bald Eagle Commemorative Coin Program began on January 15, 2008. This is a three-coin program, comprising a $5 gold coin, a silver dollar and a clad half-dollar, with mintages of 100,000 coins, 500,000 coins and 750,000 coins, respectively. Special products include a Three-Coin Proof Set, a Young Collector’s Set, and a Coin and Medal Set. The silver dollar will also be included in the 2008 United States Mint American Legacy Collection™ to be released later this year. Currently, this is the only commemorative coin program scheduled for 2008.

On April 10, 2008, the United States Mint joined country music legend Dolly Parton in a media event to support the Bald Eagle Commemorative Coin Program. The event included the release of a young eaglet rescued by the American Eagle Foundation into the wild. The release took place in a ceremony at Douglas Lake located in the foothills of the Great Smokey Mountains.

Analysis of Financial Position

Sales of the Bald Eagle Commemorative Coins began on January 15, 2008, and the coins will be issued through December 31, 2008. Through the end of the third quarter of FY 2008, the United States Mint shipped a total of 658,231 coins, generating total program revenue of $36.4 million. The program collected $6.4 million in surcharges and currently shows a profit of approximately $5.4 million.
The eligible designated recipient organization for qualifying surcharges under this program is the American Eagle Foundation of Tennessee. No surcharge payments have been made to date.

2009 Abraham Lincoln Commemorative Coin Program

Public Law 109-285, signed September 27, 2006

The Abraham Lincoln Commemorative Coin Program consists of a silver coin with a maximum mintage of 500,000 coins. The design candidates commemorating the 200th anniversary of Abraham Lincoln’s birth were presented to the Abraham Lincoln Bicentennial Commission (ALBC) for review, as well as the Commission of Fine Arts (CFA) and the Citizens Coinage Advisory Committee (CCAC). The Secretary of the Treasury approved the final designs for the silver dollar coin commemorating the Presidency of Abraham Lincoln on January 29, 2008. The designs are expected to be unveiled in the fall of 2008. The eligible designated recipient organization for qualifying surcharges under this program is the Abraham Lincoln Bicentennial Commission.

2009 Louis Braille Commemorative Coin Program


The Louis Braille Commemorative Coin Program consists of a silver coin with a maximum mintage of 400,000 coins. The designs for the silver dollar commemorating the bicentennial of the birth of Louis Braille and Braille Literacy efforts were presented to the National Federation of the Blind (NFB) for review. A prototype was developed to test the legibility of the Braille text on the reverse of the coin, as required by law. The design candidates for the silver dollar coin commemorating the bicentennial of the birth of Louis Braille and Braille Literacy efforts were presented to the CFA, the CCAC, and the National Federation of the Blind in February. The Secretary of the Treasury approved the final designs on April 21, 2008, and an unveiling event is scheduled for July. The eligible designated recipient organization for qualifying surcharges under this program is the National Federation of the Blind.

MARKET-BASED RESEARCH AND PRICING FOR ALL UNITED STATES MINT COMMEMORATIVE COIN PROGRAMS

The United States Mint is actively engaged in gathering and analyzing data from focus group sessions as well as information collected through bi-monthly surveys. The purpose of gathering this data is twofold. First, customer satisfaction can be gauged relative to recent product offerings, and second, the success of future products and programs can be estimated. The United States Mint also uses this information to assess overall customer response to quality, pricing and packaging, and to gain a better understanding of which products will succeed and at what price they will be most attractive to potential customers.

Focus group meetings are conducted around the country to provide input from a diverse population. They are valuable tools for the United States Mint when considering themes, packaging and special products. These venues are used to test annual recurring products, as well as commemorative coin programs.

Commemorative coin pricing includes estimating consumer demand and costs associated with producing and selling the item. The United States Mint has engaged in several efforts to keep the sale price of numismatic items as low as practicable. For example, we have decreased the size of standard packaging of commemorative coins to reduce costs and waste. In addition, because commemorative coin boxes do not change from one product to another, we are able to take advantage of economies of scale by ordering
the packaging in bulk quantities; this allows for the use of less expensive packaging for commemorative coins, while preserving our high standards of quality and visual appeal. We also use designated recipient organizations' existing publications and other communications media to eliminate the need for costly blanket advertising of the products and use the organizations' mailing lists so the purchase or renting of lists is not necessary.
Modern commemorative coins authorized by Congress and produced by the United States Mint date from the introduction of the George Washington 250th Anniversary Half-Dollar in 1982. Congress has authorized a total of 51 commemorative coin programs through 2009 to honor people, places, events and institutions of significance in American history and culture. Surcharges from the sales of these coins are authorized to help fund a variety of organizations and projects that benefit the public at large. United States Mint commemorative coin programs have collected approximately $471.8 million in surcharges over the past 25 years for many worthy recipient organizations.

Commemorative coins are beneficial to both the numismatic community and recipient organizations, but they also highlight our Nation’s history. To ensure that commemorative coin programs reap the benefits of the 1996 reforms, the United States Mint must continue to execute and oversee these coin programs in a conscientious, prudent and business-like manner.

FINANCIAL REPORTING

The matching funds criterion established by the Commemorative Coin Reform Act of 1996 (CCRA), as amended by Title II of Public Law 108-15 (April 23, 2003), requires commemorative coin programs to link public funding of special projects to private support by requiring recipient organizations to show receipts of donations from private sources “in an amount that is equal to or greater than the total amount of the proceeds of such surcharge derived from the sale of such numismatic item.” The CCRA makes commemorative coin program recipient organizations partners in bearing the risks of commemorative coin programs, and it assures that the United States Mint recovers its cost of operating such coin programs.

The estimated program margin is total net revenue minus net operating cost less surcharges collected. This quarterly interim analysis was prepared using the accrual basis of accounting.

2008 Bald Eagle Commemorative Coin Program

Public Law 108-486, December 23, 2004

The 2008 Bald Eagle Commemorative Coin Program launched on January 15, 2008. This was a three-coin program, including a $5 gold coin, a silver dollar and a clad half-dollar, with mintage of 100,000 coins, 500,000 coins and 750,000 coins, respectively. Special products included a Three-Coin Proof Set, a Young Collector’s Set and a Coin and Medal Set. The silver dollar was also included in the 2008 United States Mint American Legacy Collection™ introduced in September 2008. This was the only commemorative coin program in 2008.

Analysis of Financial Position

Sales of the Bald Eagle Commemorative Coins began on January 15, 2008, and ended December 12, 2008. Through the end of the calendar year 2008 (first quarter of fiscal 2009), the United States Mint shipped a total of 808,275 coins, generating total program revenue of $43.6 million. The program collected $7.6 million in surcharges and resulted in profits of approximately $6.5 million.

Total surcharges in the amount of $5,099,139.00 were paid to the recipient organization, the American Eagle Foundation of Tennessee. One payment, in the amount of $3,191,648.00, was made to the organization on July 23, 2008, and a second, in the amount of $1,907,491.00, on November 6, 2008.

2009 Abraham Lincoln Commemorative Coin Program

Public Law 109-285, September 27, 2006

The Abraham Lincoln Commemorative Coin Program consists of a silver dollar coin with a maximum mintage of 500,000 coins. The design candidates commemorating the 200th anniversary of Abraham Lincoln’s birth were presented to the Abraham Lincoln Bicentennial Commission, the recipient organization, for review, as well as the U.S. Commission of Fine Arts (CFA) and the Citizens Coinage Advisory Committee (CCAC). The Secretary of the Treasury approved the final designs for the silver dollar coin commemorating the presidency of Abraham Lincoln on January 29, 2008. The designs were unveiled November 19, 2008, at the 145th Anniversary of the dedication of Soldiers’ National Cemetery, where Abraham Lincoln delivered the Gettysburg Address. Sales will begin February 12, 2009.
2009 Louis Braille Commemorative Coin Program


The Louis Braille Commemorative Coin Program consists of a silver dollar coin with a maximum mintage of 400,000 coins. The designs for the silver dollar commemorating the bicentennial of the birth of Louis Braille and Braille literacy efforts were presented to the National Federation of the Blind, the recipient organization, for review. A prototype was developed to test the legibility of the Braille text on the reverse of the coin, as required by the law. The design candidates for the Braille silver dollar were presented to the CFA, the CCAC and the National Federation of the Blind in February 2008, and the Secretary of the Treasury approved the final designs on April 21, 2008. The designs were unveiled on July 2, 2008, at the National Federation of the Blind’s annual convention in Dallas during the March for Independence. Sales are scheduled to begin March 26, 2009.

2010 American Veterans Disabled for Life Commemorative Coin Program

Public Law 110-277, July 17, 2008

Initial discussions with the recipient organization, the Disabled Veterans’ LIFE Memorial Foundation, were held during the fiscal 2008 fourth quarter.

2010 Boy Scouts of America Centennial Commemorative Coin Program

Public Law 110-363, October 8, 2008

Initial discussions with the recipient organization, the National Boy Scouts of American Foundation, were held in December 2008.

2011 United States Army Commemorative Coin Program

Public Law 110-450, December 1, 2008

Initial discussions with the recipient organization, the National Museum of the United States Army, were held on December 10, 2008.

2012 National Infantry Museum and Soldier Center Commemorative Coin Program

Public Law 110-357, October 8, 2008

2014 Civil Rights Act of 1964 Commemorative Coin Program

Public Law 110-451, December 2, 2008

MARKET-BASED RESEARCH AND PRICING FOR ALL UNITED STATES MINT COMMEMORATIVE COIN PROGRAMS

The United States Mint is actively engaged in gathering and analyzing data gathered from focus group sessions as well as information collected through bi-monthly surveys. The purpose of gathering this data is twofold. First, customer satisfaction can be gauged relative to recent product offerings, and second, the success of future products and programs can be accurately predicted.

It should be noted that the United States Mint also uses this information to assess overall customer response to quality, pricing and packaging, and to gain a better understanding of which products will succeed and at what price they will be most attractive to potential customers.
Focus group meetings are conducted around the country to provide input from diverse populations. They are a valuable tool for the United States Mint when considering themes, packaging and special product offerings. These venues are used to test recurring annual products as well as commemorative coins.

Commemorative coin pricing includes estimating consumer demand and costs associated with producing and selling the item.
Modern commemorative coins authorized by Congress and produced by the United States Mint date from the introduction of the George Washington 250th Anniversary Half-Dollar in 1982. Congress has authorized a total of 56 commemorative coin programs through 2014 to honor people, places, events and institutions of significance in American history and culture. Surcharges from the sales of these coins are authorized to help fund a variety of organizations and projects that benefit the public at large. United States Mint commemorative coin programs have collected $474,929,344 in surcharges over the past 27 years for many worthy recipient organizations.

Commemorative coins are beneficial to both the numismatic community and recipient organizations, but they also highlight our Nation’s history. To ensure that commemorative coin programs reap the benefits of the 1996 reforms, the United States Mint must continue to execute and oversee these coin programs in a conscientious, prudent and business-like manner.

FINANCIAL REPORTING

The matching funds criterion established by the Commemorative Coin Reform Act of 1996 (CCRA), as amended by Title II of Public Law 108-15 (April 23, 2003), requires commemorative coin programs to link public funding of special projects to private support by requiring recipient organizations to show receipts of donations from private sources “in an amount that is equal to or greater than the total amount of the proceeds of such surcharge derived from the sale of such numismatic item.” The CCRA makes commemorative coin program recipient organizations partners in bearing the risks of commemorative coin programs, and it assures that the United States Mint recovers its costs of operating such coin programs.

The estimated program margin is total net revenue minus net operating cost less surcharges collected. This quarterly interim analysis was prepared using the accrual basis of accounting.

2008 Bald Eagle Commemorative Coin Program

Public Law 108-486, December 23, 2004

The 2008 Bald Eagle Commemorative Coin Program launched on January 15, 2008. This was a three-coin program, including a $5 gold coin, a silver dollar and a clad half-dollar, with mintages of 100,000 coins, 500,000 coins and 750,000 coins, respectively. Special products included a Three-Coin Proof Set, a Young Collector’s Set and a Coin and Medal Set. The silver dollar was also included in the 2008 United States Mint American Legacy Collection™ introduced in September 2008. This was the only commemorative coin program in 2008.

Analysis of Financial Position

Sales of the Bald Eagle Commemorative Coins began on January 15, 2008, and ended December 12, 2008. Through the end of the calendar year 2008 (first quarter of fiscal 2009), the United States Mint shipped a total of 808,275 coins, generating total program revenue of $43.6 million. The program collected $7.6 million in surcharges and resulted in profits of approximately $6.5 million.

As of March 31, 2009, total surcharges in the amount of $5,099,139 had been paid to the recipient organization, the American Eagle Foundation of Tennessee. An additional surcharge is expected to be paid to the recipient organization in April 2009.

2009 Abraham Lincoln Commemorative Coin Program

Public Law 109-285, September 27, 2006

The Abraham Lincoln Commemorative Coin Program consists of a proof and uncirculated silver dollar coin with a maximum mintage of 500,000 coins across both options. Sales of the 2009 Abraham Lincoln Commemorative Silver Dollar began on February 12, 2009, with the uncirculated version selling out on March 26. As of March 31, 2009, a total of 467,711 coins had been sold (329,402 proof and 138,309 uncirculated), with 294,836 of these shipped to customers. A special United States Mint Lincoln Coin and Chronicles Set, including a proof version of the 2009 Abraham Lincoln Commemorative Silver Dollar, will be available in the summer. A surcharge of $10 per coin is authorized to be paid to the Abraham Lincoln Bicentennial Commission to further its work in planning the celebration of the bicentennial anniversary of Lincoln’s birth.
2009 Louis Braille Commemorative Coin Program


The Louis Braille Commemorative Coin Program consists of a proof and uncirculated coin with a maximum mintage of 400,000 coins across all product options. The uncirculated silver dollar coin is also available in an easy-open capsule for those wishing to feel the tactile features of the coin. Sales of the 2009 Louis Braille Bicentennial Silver Dollar began March 26, 2009, and have been brisk. As of March 31, 2009, a total of 55,802 coins had been sold (33,217 proof, 15,299 uncirculated and 7,286 uncirculated in the easy-open case), with 2,500 of those being shipped to customers. A surcharge of $10 per coin is authorized to be paid to the National Federation of the Blind to support its programs to promote Braille Literacy.

2010 American Veterans Disabled for Life Commemorative Coin Program

Public Law 110-277, July 17, 2008

Designs are in development in conjunction with the recipient organization, the Disabled Veterans’ LIFE Memorial Foundation. The projected date for presentation to the federal advisory committees, the U.S. Commission of Fine Arts (CFA) and Citizens Coinage Advisory Committee (CCAC), is May or June 2009.

2010 Boy Scouts of America Centennial Commemorative Coin Program

Public Law 110-363, October 8, 2008

Designs are in development in conjunction with the recipient organization, the National Boy Scouts of American Foundation. The projected date for presentation to the CFA and CCAC is May or June 2009.

2011 United States Army Commemorative Coin Program

Public Law 110-450, December 1, 2008

Discussions with the recipient organization, the National Museum of the United States Army, were held in March 2009. Work on the coin designs is ongoing.

2012 National Infantry Museum and Soldier Center Commemorative Coin Program

Public Law 110-357, October 8, 2008

2014 Civil Rights Act of 1964 Commemorative Coin Program

Public Law 110-451, December 2, 2008

MARKET-BASED RESEARCH AND PRICING FOR ALL UNITED STATES MINT COMMEMORATIVE COIN PROGRAMS

The United States Mint is actively engaged in gathering and analyzing data gathered from focus group sessions as well as information collected through quarterly surveys. The purpose of gathering this data is twofold. First, customer satisfaction can be gauged relative to recent product offerings, and second, the success of future products and programs can be accurately predicted.

It should be noted that the United States Mint also uses this information to assess overall customer response to quality, pricing and packaging, and to gain a better understanding of which products will succeed and at what price they will be most attractive to potential customers.

Focus group meetings are conducted around the country to provide input from diverse populations. They are a valuable tool for United States Mint when considering themes, packaging and special product offerings. These venues are used to test recurring annual products as well as commemorative coins.
Commemorative coin pricing includes estimating consumer demand and costs associated with producing and selling the item.
Modern commemorative coins authorized by Congress and produced by the United States Mint date from the introduction of the George Washington 250th Anniversary Half-Dollar in 1982. Congress has authorized a total of 56 commemorative coin programs through 2014 to honor people, places, events and institutions of significance in American history and culture. Surcharges from the sales of these coins are authorized to help fund a variety of organizations and projects that benefit the public at large. United States Mint commemorative coin programs have collected $474,929,344 in surcharges over the past 27 years for many worthy recipient organizations.

Commemorative coins are beneficial to both the numismatic community and recipient organizations, but they also highlight our Nation's history. To ensure that commemorative coin programs reap the benefits of the 1996 reforms, the United States Mint must continue to execute and oversee these coin programs in a conscientious, prudent and business-like manner.

**FINANCIAL REPORTING**

The matching funds criterion established by the Commemorative Coin Reform Act of 1996 (CCRA), as amended by Title II of Public Law 108-15 (April 23, 2003), requires commemorative coin programs to link public funding of special projects to private support by requiring recipient organizations to show receipts of donations from private sources “in an amount that is equal to or greater than the total amount of the proceeds of such surcharge derived from the sale of such numismatic item.” The CCRA makes commemorative coin program recipient organizations partners in bearing the risks of commemorative coin programs, and it assures that the United States Mint recovers its costs of operating such coin programs.

The estimated program margin is total net revenue minus net operating cost less surcharges collected. This quarterly interim analysis was prepared using the accrual basis of accounting.

**2008 Bald Eagle Commemorative Coin Program**

Public Law 108-486, December 23, 2004

The 2008 Bald Eagle Commemorative Coin Program launched on January 15, 2008. This was a three-coin program, including a $5 gold coin, a silver dollar and a clad half-dollar, with mintages of 100,000 coins, 500,000 coins and 750,000 coins, respectively. Special products included a Three-Coin Proof Set, a Young Collector’s Set and a Coin and Medal Set. The silver dollar was also included in the 2008 United States Mint American Legacy Collection™ introduced in September 2008. This was the only commemorative coin program in 2008.

**Analysis of Financial Position**

Sales of the Bald Eagle Commemorative Coins began on January 15, 2008, and ended December 12, 2008. Through the end of the calendar year 2008 (first quarter of fiscal 2009), the United States Mint shipped a total of 828,840 coins, generating total program revenue of $44.4 million. The program collected $7.7 million in surcharges and resulted in profits of approximately $6.6 million.

Total surcharges paid to the recipient organization, The American Eagle Foundation of Tennessee, amount to $ 7,760,051. The final payment of $2,597,912 was paid to the recipient organization in early May 2009.

**2009 Abraham Lincoln Commemorative Coin Program**

Public Law 109-285, September 27, 2006

The Abraham Lincoln Commemorative Coin Program consists of a proof and uncirculated silver dollar coin with a maximum mintage of 500,000 coins across both options. Sales of the 2009 Abraham Lincoln Commemorative Silver Dollar began on February 12, 2009, with the uncirculated version selling out on March 26 and the proof version selling out April 14. As of June 30, a total of 449,407 coins had been sold (321,815 proof and 127,592 uncirculated). A special United States Mint Lincoln Coin and Chronicles Set, including a proof version of the 2009 Abraham Lincoln Commemorative Silver Dollar, will be available in the fall. A surcharge of $10 per coin is authorized to be paid to the Abraham Lincoln Bicentennial Commission to further its work in planning the celebration of the bicentennial anniversary of Lincoln’s birth.
2009 Louis Braille Commemorative Coin Program


The Louis Braille Commemorative Coin Program consists of a proof and uncirculated coin with a maximum mintage of 400,000 coins across all product options. The uncirculated silver dollar coin is also available in an easy-open capsule for those wishing to feel its tactile features. Sales of the 2009 Louis Braille Bicentennial Silver Dollar began March 26, 2009, and have been brisk. As of June 30, 2009, a total of 170,769 coins had been sold (111,108 proof, 42,028 uncirculated and 17,633 uncirculated in easy-open capsule). A special United States Mint Braille Education Set, including an uncirculated version of the 2009 Louis Braille Bicentennial Silver Dollar, will be available in the fall. A surcharge of $10 per coin is authorized to be paid to the National Federation of the Blind to support its programs to promote Braille Literacy.

2010 American Veterans Disabled for Life Commemorative Coin Program

Public Law 110-277, July 17, 2008

Designs are in development in conjunction with the recipient organization, the Disabled Veterans' LIFE Memorial Foundation. Designs were presented to the U.S. Commission of Fine Arts (CFA) on May 21, 2009, and to the Citizens Coinage Advisory Committee (CCAC) on June 3, 2009.

2010 Boy Scouts of America Centennial Commemorative Coin Program

Public Law 110-363, October 8, 2008

Designs are in development in conjunction with the recipient organization, the Boy Scouts of America. Designs were presented to the CFA on June 18, 2009, and to the CCAC on June 29, 2009.

2011 United States Army Commemorative Coin Program

Public Law 110-450, December 1, 2008

Work on the coin designs is ongoing.

2012 National Infantry Museum and Soldier Center Commemorative Coin Program

Public Law 110-357, October 8, 2008

2014 Civil Rights Act of 1964 Commemorative Coin Program

Public Law 110-451, December 2, 2008
Executive Summary


The United States Mint’s earlier experiences with other commemorative circulating coins have given the following insights: the Westward Journey Nickel Series™ and the 50 State Quarters® Program are successful versions of circulating coin programs involving coin denominations that already were in robust circulation. Both of these programs incorporated rotating designs that have been essential in sustaining long term numismatic interest. The Golden Dollar featuring Sacagawea enjoyed early success, but this waned quickly as subsequent attempts to promote distribution of the coin through short-term arrangements involving a limited number of retail establishments proved unsuccessful.

Consistent with the legislative intent, the United States Mint conducted a priori market research to assess demand and acceptance levels for circulating and numismatic Presidential $1 Coins. The resulting demand projections were based on an assumption of 100% awareness and accessibility for the general public for the Presidential $1 Coin. Annual circulating usage for $1 coins averaged $61.6 million between 2003 and 2005. Our market research estimated that the circulating usage for the Presidential $1 Coin would increase by approximately 19% over the prior years' average. Our research also projected that circulating coin “savers” would create demand of approximately 330 million for the first coin issued (George Washington $1 Coin) and between 247 and 297 million for each Presidential $1 Coin thereafter during the first year of the program.

To date, the Federal Reserve Banks have ordered 813 million George Washington, John Adams, Thomas Jefferson, and James Madison $1 Coins, which falls somewhat below our projections. We believe that many of these Presidential $1 Coins are now held by the public as collectors’ items.

The United States Mint and the Federal Reserve have worked closely to comply with the provisions of the Act. We have collaborated on three coin user group forums and have worked to improve distribution. Improvements have also been made in packaging and in applying an anti-tarnishing treatment to the $1 coins, but we have still experienced mixed results in our attempt to motivate retailers to order and dispense the coins, thus limiting the number of coins readily available to consumers. We intend to
continue to work closely to refine distribution methods by focusing on the four steps of distribution: United States Mint to Federal Reserve Banks; Federal Reserve Banks to distributors (banks, savings & loans, etc.); banking institutions to the retailers; and, finally, retailers to the consumer.

Although we have had success in building a sustained general level of awareness of the Presidential $1 Coins, this effort has not yet translated into robust circulation. Through the use of earned media, we have been able to generate more than 800 million media impressions without having to rely on "an overly expensive taxpayer-funded public relations campaign."1 The percentage of the general population that is aware of Presidential $1 Coins has grown from a pre-introduction level of 18% to 62% as of September 2007. The United States Mint has also conducted outreach to the education community, including teachers, parents and students. Building on the successful 50 State Quarters Program, we have continued our education efforts through collaboration with organizations such as the American Library Association, the National Education Association, the National Association of Elementary School Principals, and the American Federation of Teachers.

While the general public prefers the $1 note over the $1 coin, we believe there is considerable opportunity to improve the public's acceptance and use of $1 coins. This belief is supported by a worldwide trend in the increasing use of higher denomination coins (where the comparable paper note denomination has been eliminated), which might increase the growth rate for higher denomination circulating coins in the United States over time. We believe that, over time, higher price levels will increase the number of use opportunities for $1 coins and should stimulate public acceptance and use of higher denomination coins. If we focus more on educating the public on the utility of using $1 coins, we believe we will see a greater volume of transactions and a growing niche for the $1 coins. To do this, we need to implement a cost-effective, practical strategy to ensure that interest in the program will not wane as it did with the Sacagawea Golden Dollar, where production levels dropped from a high of 1.279 billion in 2000 to four million in Fiscal Year (FY) 2007. Moving the new product from a collector item to mainstream circulation requires us to shift our focus now from building awareness to building public knowledge of the added utility of $1 coins.

The United States Mint is committed to making the Presidential $1 Coin Program a successful program with escalating acceptance and usage over its 10-year span. We will continue to work aggressively to promote liquidity between distributors and retailers, assuring that there is more widespread availability and use of the $1 coins. Our strategy in FY 2008 will involve targeting all stakeholders who would benefit from increased usage of $1 coins and implementing a cost-effective effort to educate the public about use occasions where the $1 coin may be more convenient than use of a paper note. Employing relationship management tactics, we will work to proactively educate and facilitate between those retail establishments who want the coins and banking institutions that have the coins. To accomplish these objectives, the United States Mint has created an Office of $1 Coin Programs, whose exclusive focus is to establish robust circulation of $1 coins.
I. Introduction

The Presidential $1 Coin Act of 2005 (Act) incorporated a number of new features in an attempt to enhance a robust circulation for a $1 coin, including a rotating design, edge-incused inscriptions and anti-tarnishing treatments. The United States Mint has been diligent in its efforts to implement the Act. Federal Reserve Banks' orders to date for the Presidential $1 Coin have been approximately 303 million for George Washington, 200 million for John Adams, 169 million for Thomas Jefferson, and 141 million for James Madison. In turn, as of mid-November, depository institutions have ordered approximately 579 million of the Presidential $1 Coins from the Reserve Banks.

On the following pages, this annual report provides detailed sections that meet the following reporting requirements outlined in the Act:

- "an assessment of the remaining obstacles to the efficient and timely circulation of coins, particularly $1 coins;
- "an assessment of the extent to which the goals of subparagraph (C) [consulting with industry representatives to encourage operators of vending machines and other automated coin-accepting devices in the United States to accept coins issued under the Presidential $1 Coin Program] are being met; and
- "such recommendations for legislative action the Board and the Secretary may determine to be appropriate."

II. Barriers to Circulation

The United States Mint has introduced a dollar coin on 14 occasions in its history. The two most recent efforts, the Susan B. Anthony Dollar Coin and the Sacagawea Golden Dollar Coin, have been the subject of at least eleven Government Accountability Office (GAO) reports; Congressional reports; United States Mint and Federal Reserve Board studies, reports, and testimony to Congress; and various non-government press, reports, analyses, critiques, etc. This material provides a solid foundation for capturing lessons learned and identifying barriers to overcome in introducing a new circulating $1 coin program. Key findings include:

- The public's preference for $1 notes is the primary barrier to circulation $1 coins.
- Repercussions of the network effect continue to stall widespread circulation because:
  - Retailers will not stock $1 coins until they see the public using them.
  - Financial institutions and armored carriers are reluctant to order significant quantities of $1 coins until there is wider demand for them.
  - Those in the public who would use the $1 coins are unlikely to increase their transactional use until they see retailers stocking them and more vending machines accepting them.
• Problems associated with the efficient and timely distribution of $1 coins to bank locations at the community and branch levels is still a substantial barrier to increased circulation.

• Inadequate public knowledge about the benefits of the $1 coin program and availability of the coins is a substantial barrier to public acceptance and use of $1 coins.

The Presidential $1 Coin Program was designed to address previous historical experiences and to mitigate many of the barriers identified in past $1 coin programs. In addition, elements of the Presidential $1 Coin Program were modeled on the popular 50 State Quarters Program that successfully incorporated rotating designs with broad appeal and educational value with a coin denomination already in robust circulation. This element of a rotating design was viewed as essential in mitigating the inadequacies of the Golden Dollar featuring Sacagawea.

Since the inception of the Presidential $1 Coin Program, the United States Mint has conducted specific and ongoing assessments of barriers to the circulation and utility of $1 coins, which have maintained a yearly average usage of 61.6 million. While projections for the Presidential $1 Coin indicate a potential 19% increase in that figure, the estimates (assuming 100% public awareness) of the number likely to be saved by collectors were far more substantial at 247 to 297 million for each President during the first year of the program. These numbers have not been realized.

As with previous $1 coin programs, the obstacles to increased circulation of Presidential $1 Coins are formidable. Where possible, the United States Mint has made progress in mitigating many barriers by working closely with the Federal Reserve to increase the efficient and timely distribution of Presidential $1 Coins, improve packaging, and apply anti-tarnishing treatments. There have also been efforts to increase public awareness of the Presidential $1 Coin Program, focusing on each of the first three Presidential $1 Coins honoring George Washington, John Adams, and Thomas Jefferson, generating quite high levels of media and public attention.

The General Public

As with the release of previous $1 coins, the greatest barrier to acceptance and widespread use of the Presidential $1 Coin is the public's preference for the $1 note. According to the GAO, other industrialized nations that successfully introduced a high-denomination coin also removed the note of equal value.²

As a result of the primary barrier of the public's preference for using $1 notes instead of $1 coins, one the most significant barriers to circulation of $1 coins is the network effect or the network externality effect. The GAO has defined this effect as the interdependency of demand in which the public is unlikely to use the $1 coin until they see businesses supplying it; retailers will not stock the coins until they see widespread use by the public; and financial institutions/armored carriers will not invest in equipment.
or new processes for distribution until significant numbers of the public and retailers regularly ask for $1 coins.4

Approximately 50% of the general public say their primary interest in the Presidential $1 Coin is as a collectable. Those in the general population who say they are interested in Presidential $1 Coins for use in cash transactions indicate that the greatest barriers to robust circulation are access to, and availability of, Presidential $1 Coins. For the 50% of those surveyed who indicated that they were interested in collecting the Presidential $1 Coins, 38% said they would go to a financial institution to get them, while 36% said they would go to retailers to get them in change.4

The United States Mint research conducted in October 2006 revealed the following additional major barriers to increased circulation and demand among the general public:5

- Survey respondents gave the $1 note a mean overall rating of 86.5% out of 100% for use (utility) in cash transactions compared to 59% for $1 coin use (utility) in cash transactions.
- 68% of survey respondents stated that they did not want to carry around more change. 87% of those who did not want to carry around more change indicated that this would be a problem as it relates to their use of Presidential $1 Coins.
- 43% of the respondents perceived the Presidential $1 Coins as commemorative coins and not coins for circulation.
- Many consumers (45%) did not think the Presidential $1 Coin is universally accepted in machines.
- 35% of those surveyed said they somewhat or strongly believe that the Presidential $1 Coins will not be widely available.
- 35% of survey respondents said they somewhat or strongly agree that the Presidential $1 Coin would be confusing because the Susan B. Anthony dollar coin and Sacagawea Golden Dollar coin still circulate.

These numbers suggest that, to achieve robust circulation of $1 coins, the United States Mint needs to continue its efforts towards ensuring that there is widespread availability of $1 coins, facilitating broad acceptance by vending machines and commercial entities, and promoting significantly higher public demand.

The Commercial Sector

From past $1 coin program reports and studies, new research conducted for the Presidential $1 Coin Program, three coin user group forums (general and retail-specific), and other discussions with industry representatives, the United States Mint has identified the following retail barriers to the timely and efficient circulation of $1 coins:

- The underlying reluctance of retailers to regularly order, stock and distribute $1 coins is based on co-circulation of $1 notes with $1 coins and the public's
preference for using $1 notes when conducting cash transactions. The network effect also prevails in the commercial sector, where retailers are reluctant to order and dispense the Presidential $1 Coins until they see widespread use of $1 coins by the general public.

- Many businesses assume that customers will not accept $1 coins. This is a barrier that reflects misperception of consumer behavior and actual customer data. United States Mint research indicates that 62% of retail businesses believe their customers will not accept a $1 coin in change while only 18% of consumers say they will not accept the coin as change and will ask for a $1 note instead. 6
- There are logistical and operational barriers to retailers ordering, stocking and distributing Presidential $1 Coins.
  - Businesses will have to revise cash-ordering policies, pay higher fees to obtain the coins, and may have difficulty obtaining adequate coin supplies from financial institutions.
  - Many retailers will need to retrofit or replace equipment such as coin scales, electronic change dispensers and vending machines. In addition, many believe that storing coins in cash drawers or vaults is difficult.
- Businesses fear $1 coins will slow down customer interaction and raise costs—a particular issue in low-margin businesses.
- Many businesses see a movement toward increased use of electronic transactions and reduced cash transactions, and therefore are reluctant to invest resources, time and money to accommodate $1 coin use.

III. How the United States Mint Has Addressed Barriers

Given these challenges, the United States Mint has focused its efforts on eliminating or mitigating barriers to the timely and efficient distribution of the coin in two primary areas: first, coordinating with the Federal Reserve to facilitate the distribution of Presidential $1 Coins for commerce and collectors and, second, initiating a public information campaign to build awareness of the Presidential $1 Coin Program.

Coordinating with the Federal Reserve to Distribute Presidential $1 Coins

The coordination between the United States Mint and the Federal Reserve has produced two major changes to normal coin distribution and circulation practices. First, standard $1 coin packaging and delivery practices have been modified to allow financial institutions to order unmixed packages of Presidential $1 Coins for a six-week period surrounding each coin introduction, making it easier to obtain the latest coins released. During each introductory period, Presidential $1 Coins are available in smaller boxes of rolled coins (25 per roll; $1,000 per box) and in 2,000-count coin bags. Second, the Federal Reserve Banks and contracted terminals release each new Presidential $1 Coin to the depository institutions two weeks prior to the official release date, making the coins available to the public on the official release date. In addition, if a depository institution requests Presidential $1 Coins after the special order period ends and the Reserve Bank office has supplies, the Reserve Bank will fill the order with the most recently released design. These efforts have reduced distribution barriers and
increased the efficient and timely distribution of Presidential $1 Coins, but evidence continues to suggest that the general public and retailers are still not motivated to use $1 coins for commercial transactions.

Building a Public Information Campaign to Create and Maintain Awareness

Since November 2006, the United States Mint has conducted a public information and awareness campaign to increase public awareness, drive demand and acceptance, and facilitate distribution of Presidential $1 Coins. One of the Act's "Sense of Congress" provisions states that the coins "should not be introduced with an overly expensive taxpayer-funded public relations campaign." Consistent with that provision, the Presidential $1 Coin Program has relied on earned media and grassroots outreach, rather than paid advertising.

As a result of these efforts, the United States Mint has been successful in creating and maintaining awareness of the Presidential $1 Coin Program in the general public, increasing awareness from 18% to 57% in four months and achieving 62% awareness through September 2007. The United States Mint has relied primarily on earned media, stakeholder outreach efforts and a grassroots campaign to generate awareness.

According to GAO, $67 million was expended to introduce the Sacagawea $1 Coin. By contrast, the United States Mint will spend approximately $9 million to introduce Presidential $1 Coins honoring the first four Presidents.

General Audiences

Although specific tactics have been developed to reach different target audiences, the core components of the awareness and information campaign aimed at the general public include the following:

- **Message Development:** The United States Mint developed key messages to present clear, consistent information about the Presidential $1 Coin Program and explain its benefits to the general public, as well as target audiences. The United States Mint has conducted focus groups with the general public, retailers and banks on the messaging to ensure the communication was appropriate for each sector.

- **Materials Development:** The United States Mint has developed free informational materials, including brochures, posters, clings, bookmarks and coin boards, to convey key messages, spread awareness, increase interest and clarify facts about the program. Materials are available through the United States Mint website for retail merchants, financial institutions, educators and the general public.

- **Media Relations:** To achieve widespread coverage, the United States Mint has developed an ongoing earned media relations program that has resulted in significant positive coverage of the Presidential $1 Coin Program by major national news outlets, as well as local market media.
• **Events:** The United States Mint has hosted several events, including an unveiling event in Washington, D.C., in November 2006, to showcase the release of designs for the first four coins; launch events for the George Washington $1 Coin at Grand Central Terminal in New York City and on Capitol Hill in February 2007; the John Adams $1 Coin launch in Quincy, Massachusetts in May; and the Thomas Jefferson $1 Coin launch at the Jefferson Memorial in Washington, DC in August. There was also a local market tour in which United States Mint officials visited schools and high traffic areas in 10 cities across the country.

• **Website:** The United States Mint website has been updated to include a section dedicated to the Presidential $1 Coin Program. It includes information on the program, artistic design of the coins, the release schedule and materials for various stakeholders.

• **Education:** Under an ongoing program of the United States Mint, we have engaged the education community by creating fun and educational opportunities for bringing Presidential $1 Coins, lesson plans and material into classroom, libraries and other educational settings. In addition, the United States Mint’s H.I.P. Pocket Change™ website houses a multitude of Presidential $1 Coin-related educational resources for educators and students.

Efforts in this regard have generated nearly 6,000 placements in news outlets across the country, resulting in more than 800 million media impressions. To obtain the same results using paid advertising would have cost approximately $130 million.

In addition, the United States Mint has received requests for more than eight million pieces of Presidential $1 Coin informational materials. The United States Mint’s Presidential $1 Coin Program web pages have been visited more than 2,369,157 times and more than 63,239 individuals have subscribed to the $1 coin electronic newsletter. While achievements in increasing public awareness have been substantial, success in furthering a robust, commercial circulation and utilization of the $1 coin has been elusive. Branch banks, community banks, and retailer establishments are the key outlets where improvement is needed to increase public access to the coins.

**Commercial Sector Outreach**

Because the various components of the commercial sector are vital to the success of the Presidential $1 Coin Program, special efforts have been underway to reach these stakeholders, segmented into the following groups: merchants who would benefit from the increased usage of $1 coins; vending machine owners and operators; transit officials; municipal parking officials; depository institutions; coin and currency handlers; armored car operators; car wash operators; and coin collectors and dealers. Support from the manufacturers and owners and operators of vending machines and automated coin-accepting devices is crucial to the success of the Presidential $1 Coin Program. Consumers use coins every day to purchase snacks, pay parking meters, operate laundry machines and conduct numerous other transactions. Therefore, a key first step
involved contacting industry representatives and stakeholders and sharing with them the cost and benefits of dispensing and utilizing $1 coins.

**Coin User Group Forums**

The United States Mint and the Federal Reserve engaged in several efforts to consult with industry representatives and stakeholders, including two coin user group forums during 2006 (general and retail) and one in July of 2007. In addition, electronic recognition testing of Presidential $1 Coins was initiated and successfully completed with the vending industry in 2006.

The first coin user group forum was held on June 8, 2006, hosted jointly by the United States Mint and the Federal Reserve. More than 145 representatives of all the relevant stakeholder groups identified in the Act were invited to participate, and most did so. This day-long forum provided an overview of the Act and, more importantly, provided an opportunity for these major industry segment representatives to meet and discuss past $1 coin experience and the current $1 coin environment. Participants then made individual recommendations to the United States Mint and the Federal Reserve, which helped shape efforts in support of the Presidential $1 Coin Program.

The information gathered from our stakeholders has been essential to our efforts at mitigating barriers to the distribution of the Presidential $1 Coin. Based on the input from coin user group forums and stakeholders, the United States Mint and the Federal Reserve have, as stated earlier, made modifications to the packaging and distribution of the Presidential $1 Coins. These modifications to past practices of coin distribution and packaging have increased the efficient and timely distribution of $1 coins by making it easier for financial institutions, retailers, collectors and the public to obtain the most recently issued Presidential $1 Coin on the official release date and throughout the introductory period.

Through research, ongoing conversations with industry representatives and coin user group forums, the United States Mint identified the following barriers to the use of Presidential $1 Coins (and other $1 coins) in transactions involving automated coin-accepting devices:

- A significant percentage of machine owners will need to retrofit or replace equipment to accept $1 coins – a cost they are not willing to bear unless consumers demand it (see discussion of the "network effect" in Section III).
- Many consumers (45%) did not think the coin is universally accepted in machines.

Efforts to overcome these barriers include an information and education campaign for the vending machine industry to explain the substantial cost benefits (e.g., lower maintenance costs) of accepting and dispensing coins as opposed to paper bills and to demonstrate that consumers are willing to use them, and to provide industry members with informational materials and signs that promote coin use.
The dissemination of information included sending a mailer about the new coins to U.S. financial institutions and key retail associations prior to the unveiling of the first four Presidential $1 Coin designs. The United States Mint mailed a total of 89,000 "introductory kits" of free Presidential $1 Coin materials to representatives in the retail, financial institution, transit, vending, coin equipment, educators and Federal entity sectors.

Following this broad outreach, the United States Mint conducted extensive direct outreach via telephone and e-mail to key targets in the retail, financial institution, transit, vending, and coin equipment sectors. This outreach included 131 key retail targets and the largest 75 financial institutions, which represent approximately 80% of the banking industry. The calls focused on ensuring that retailers and bankers understood that $1 coins were being introduced and how to order them, that informational materials were available, and that the United States Mint was interested in helping them obtain and distribute the coins.

\textit{Outreach to Vendors and Associations}

The United States Mint has conducted information sharing sessions via telephone, e-mail and teleconferences to leading trade associations that represent vending machine and coin-accepting device industries, sharing with them updated information on improvements in distribution and the cost benefits of utilizing $1 coins. The response from the trade associations was overwhelmingly positive and included requests for materials to share with their members, either on their websites or in newsletters, and invitations for the United States Mint to participate in their expos and conferences. In addition, associations were invited to share their membership base mailing lists (where permissible), both to allow the United States Mint to communicate directly with individual retailers and to allow individual retailers to forward candid feedback on the barriers they face in obtaining and circulating $1 coins. These organizations offered to support the Presidential $1 Coin Program through mailings and electronic newsletters. Some organizations also offered to find industry leaders to serve as spokespeople for the Presidential $1 Coin.

In addition, the United States Mint has attended, or is planning to attend, several industry conferences. The trade associations and their large memberships have provided broad, nationwide publicity for the Presidential $1 Coin Program. The United States Mint has actively participated in numerous association meetings and trade shows by displaying exhibits and taking part in discussions or making presentations, including the Food Marketing Institute convention, the National Restaurant Association convention, the National Retail Federation advertising summit, the National Automated Merchandiser Association conference and the American Public Transit Association conference.

The transit industry is another sector in which coins are commonly used. The United States Mint contacted the 20 largest transit organizations to encourage their promotion
of the Presidential $1 Coin by posting stickers or clings on fare collection machines. As part of this effort, the United States Mint held calls with, and obtained feedback from, 13 of those agencies, and the United States Mint sent representatives to the American Public Transit Association's Fare Collection Workshop in Los Angeles in March 2007.

We recognize that, in order to fully convince the vending machine industry, trade associations and transit industry to invest in conversions for the $1 coins, the United States Mint must continue its efforts toward ensuring that there is widespread availability of $1 coins and that members of the general public are routinely using $1 coins in their vending, retail, and transit transactions.

**Government Facilities**

Consistent with the Act’s mandate, the United States Mint and the Federal Reserve Board have informed and advised Federal agencies and instrumentalities of the requirements necessary to comply with the Section 104 of the Act, as codified at 31 U.S.C. § 5112(p)(1). In October 2006, the United States Mint and the Federal Reserve Board co-authored a letter to 88 Federal entities that explained their obligations under the law; this letter was accompanied by a brochure on the Presidential $1 Coin Program and included helpful questions and answers for Federal entities. In June 2006, the United States Mint and the Federal Reserve Board co-hosted a coin user group forum with attendees from the United States Postal Service, the Department of Veterans Affairs, the Defense Commissary Agency and the Department of Education. The United States Mint has also met with officials of the Department of Transportation to explain the statute.

In August 2006, the United States Mint submitted to the Department of the Treasury a proposed amendment to the Federal Acquisition Regulations (FAR) that would require procurement officials to ensure that all vendors operating on U.S.-owned property or in U.S.-owned facilities are able to accept and dispense $1 coins by January 1, 2008. The FAR's Civilian Agency Acquisition Council approved the amendment, which was published on August 17, 2007.

Recent feedback from Federal entities indicates that some facilities are still experiencing difficulty complying in a timely manner with all of the requirements of the Act, especially with regard to dispensing $1 coins in vending machines, which requires costly retrofitting or replacement.

**IV. Moving Forward**

The United States Mint has made good progress in facilitating access to Presidential $1 Coins. While our efforts have led to some successes, it is still too soon to determine the full impact that these activities will have on transactional usage and long-term acceptance of the coins.
The United States Mint, consistent with the Act, is committed to “identifying, analyzing, and overcoming barriers to the robust circulation of $1 coins . . . .” Although the United States Mint has made progress in addressing several barriers, serious obstacles still exist. Foremost are the following:

- The public's continued preference for the $1 note.
- The public's perception that the $1 coin is primarily a collector item versus a commercially circulating coin.
- The network effect in which both retailers and consumers are reluctant to act first.
- A lingering skepticism among consumers and the commercial sector because of past $1 coin introductions.
- The lack of clear incentives for the commercial sector to use the coin and the lack of understanding of the clear benefits to them.
- The variety of real and perceived operational barriers in the financial and commercial sectors.
- The growing trend of electronic transactions.

The United States Mint will continue to collaborate with the Federal Reserve to reduce or remove barriers to the efficient and timely distribution of Presidential $1 Coins through all levels of the financial and retail sectors. Through additional market research and analysis, the United States Mint will identify opportunities to increase circulation of $1 coins by emphasizing the cost benefits of $1 coins to high use industries (e.g., public transit, car wash), by improving distribution in the financial supply chain, and by concentrating our efforts on increasing availability of the coins in the retail/commercial sector. We will explore opportunities to reduce the network effect and, if appropriate, conduct activities that coordinate and motivate financial, retail and consumer distribution and transactional use.

We will continue efforts to maintain awareness about the Presidential $1 Coin Program, the availability of each new design, and the cost-saving benefits of using $1 coins in commerce. We are also committed to broad outreach in the education community about the history of our Presidents and their contributions to our nation. The United States Mint and the Federal Reserve will continue to host coin user group forums and provide stakeholder outreach to all entities identified in the Presidential $1 Coin Act of 2005. We will continue to work closely with distributors at all levels to improve distribution and promote circulation.

To lead all of these efforts, the United States Mint has created a new Office of $1 Coin Programs, whose exclusive charge is to establish robust circulation of the $1 coins. Work has already begun on a six-month local activation pilot program to further investigate, analyze and overcome barriers to circulation and test strategies and tactics to actively enhance it.
V. **Legislative Action and Recommendations**

The Secretary of the Treasury has no recommendations for legislative action at this time.

**Endnotes**


7. Analysis of the media coverage generated by the George Washington $1 Coin launch indicates that 81% of the articles were positive or balanced, while 19% were negative. Specifically, 68% of coverage was balanced and offered no opinion. In some cases, negative comments were mitigated by positive quotes from United States Mint spokespeople or by the public.

The analysis also indicates that the United States Mint delivered at least one of its key messages in 48% of all media coverage. In print publications, where coverage was generally more focused, 68% of articles featured at least one of the United States Mint’s messages. The media often referenced the United States Mint’s spokespeople, whose frequent quotes helped to drive home these key messages. The most prevalent message was the success of the 50 State Quarters® Program, which appeared in more than a third of all articles.

8. Advertising equivalency was calculated using PR Trak for print and radio and Video Monitoring Services for television.
