

Originally Processed With FOIA(s):

FOIA Number:

2025-0373-S

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the George Bush Presidential Library Staff.

Record Group/Collection: George H.W. Bush Presidential Records
Collection/Office of Origin: Chief of Staff, White House Office of
Series: Card, Andrew, Files
Subseries:

OA/ID Number: 04883
Folder ID Number: 04883-006c

Folder Title:
Correspondence--F [3]

Stack:

G

Row:

15

Section:

21

Shelf:

7

Position:

Withdrawal/Redaction Sheet (George Bush Library)

Doc. No. / Type	Subject/Title	Date	Restriction	Classification
01. Form	Chase Untermeyer to Edmund Jeffry Moriarty, Re: Application for administration position; contains Personally Identifiable Information. (2 pp.)	12/11/90	(b)(6)	
02. Form	Application for Federal Employment (SF-71), Re: Kelvin Gray Wheatley. (1 pp.)	n.d.	(b)(6)	

Page 1 of 1

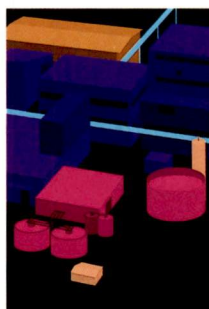
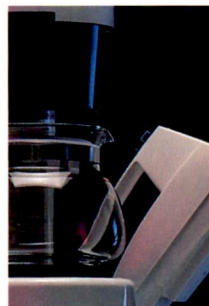
Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, Office of the
Series: Card, Andrew H., Jr., Files
Subseries:
WHORM Cat.:
File Location: Correspondence--F [3]

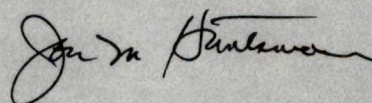
Pinksheet Number: RML16143
OA/ID Number: 04883-006c
Date Closed: 3/25/2025
FOIA/Sys Case #: 2025-0373-S
Re-review Case #:
P-2/P-5 Review Case #:

HUNTSMAN CHEMICAL CORPORATION

& AFFILIATED FAMILY BUSINESSES



The Huntsman companies manufacture and market various petrochemical products that in turn are used to produce thousands of consumer items that touch virtually every aspect of modern life. While business has evolved considerably during the last twenty years, the Huntsman companies and our expanded family of employees and associates have maintained core values of high ethical and moral standards, of continuing commitment to making things better, of constant competitiveness and of the pursuit of growth. In 1988, our consolidated revenues exceeded one billion U.S. dollars, while net income achieved record levels. By year-end, the company was debt free. Our businesses were conceptualized as a result of our major involvement in polystyrene foam packaging in the mid-1960's to the start-up of Huntsman Container Corporation in 1970. Motivated by an entrepreneurial spirit and competitive and commercial instincts, our then small team studied the markets and conducted packaging research, culminating in the invention of the fast food hamburger container. Our company ultimately pioneered more than 80 innovative packaging products that are in use today throughout the world. Throughout the 1970's our state-of-the-art packaging production facilities in North America, Europe and Australia consumed large volumes of polystyrene plastic, which we purchased from the major oil and chemical conglomerates who dominated the industry. As customers and processors in the business, we sensed the increasing competitive pressures around the world and realized the need for more consistent product quality, more flexible customer service and true partnerships between raw material suppliers and processors if the U.S. polystyrene industry was to be successful. We entered the business of manufacturing polystyrene as a major supplier to downstream customers in 1982 with the founding of Huntsman Chemical Corporation. Since that time, we have expanded our role in the petrochemical and thermoplastics businesses by actively acquiring, joint-venturing, building and expanding our facilities. Huntsman companies now manufacture and market not only polystyrene but styrene monomer, expandable polystyrene, polypropylene, specialty compounded polymers and plastic packaging products. We are committed to our customers and to maintaining our competitiveness in serving them. All of our product lines are "essential" to our strategy and will be supported with the humanity and decisiveness of a private, family business combined with the focus and staying power of a large multinational company. We eagerly face the challenge of building our enterprise organically, generating growth for our people in a bold but sequential manner. We are dedicated to understanding the opportunities available to our customers and ourselves and acting upon them with logic and courage. We seek knowledge on a global basis. I am personally proud of our customers, our employees, our technologies and our partners. They reflect the best that three continents have to offer. We would like to share with you information about the people and facilities that constitute our family of companies and how we are working together to expand and improve. We are confident that there is much exciting space left for us to fill and we are dedicated to living up to our standards as we move into our next twenty-year cycle.







JON M. HUNTSMAN

The Huntsman organization reflects the background, character and high standards of its founder, Chairman and Chief Executive Officer, Jon M. Huntsman. His accomplishments in industry are one aspect of a life of balanced commitments and service; family, business, church, government and public service are all important personal priorities.

Mr. Huntsman has been active in government service since serving as a gunnery officer in the U.S. Navy. In 1970 he was appointed by President Nixon as an

Associate Administrator in the Department of Health, Education and Welfare. He served as Special Assistant to the President of the United States in 1971-72 and has been strongly involved in the political process at the state, regional and national level, acting as Utah National Committeeman and State Co-Chairman for the 1980, 1984 and 1988 Reagan and Bush campaigns.

Mr. Huntsman is also very involved in civic affairs. He is currently Vice Chairman of the United States Chamber of Commerce, a Trustee of the University of Pennsylvania and a member of the Board of Overseers of the Wharton School of Business. On the local level, he recently completed a three-

year term as Chairman of the Utah Symphony Board, co-chaired the Utah Arts Endowment and was a Director of Ballet West. Mr. Huntsman has served as Director or Trustee for many other corporate, educational, health, government and cultural institutions.

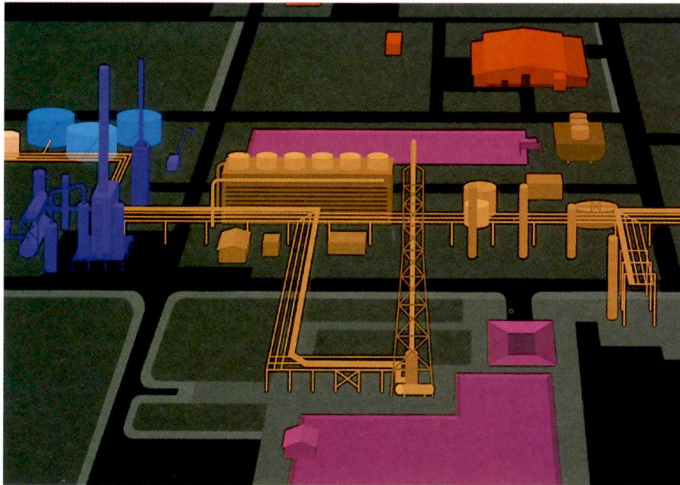
As an active member of the Church of Jesus Christ of Latter-day Saints, Mr. Huntsman has served as President of its Washington, D.C. mission and currently is a Stake President.

Jon M. Huntsman is a devoted husband and father. He is married to the former Karen Haight, and they are the parents of nine children. Mr. and Mrs. Huntsman share deep interests in public service, mental health, education, the global community and the competitiveness of American business, as well as the future of the Huntsman companies.

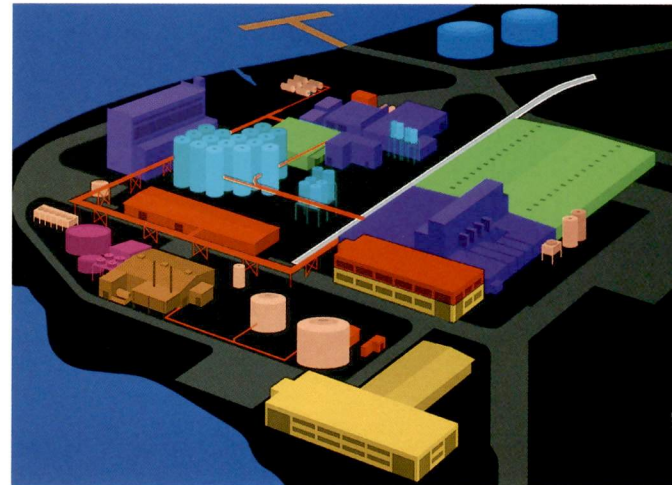


FACILITIES

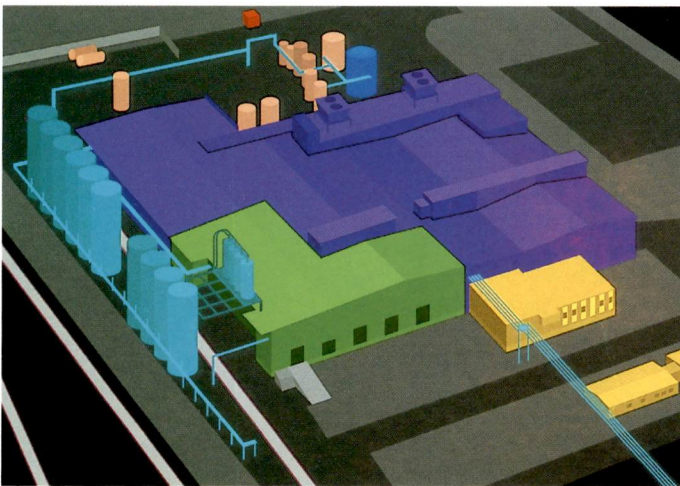
 Offices	 Pellet Storage	 Waste Treatment
 Manufacturing	 Monomer Storage	 Miscellaneous
 Warehousing	 Miscellaneous Tanks	 Utilities



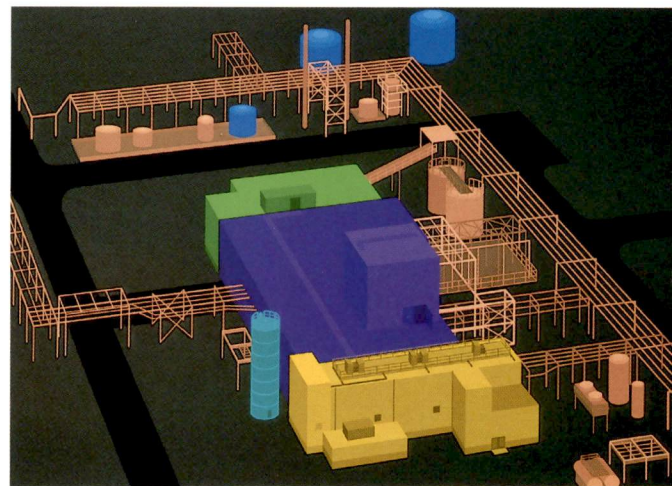
BAYPORT, TEXAS



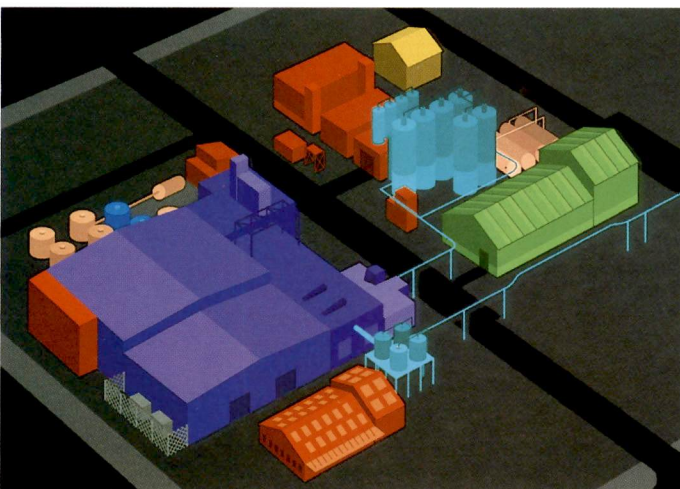
CHESAPEAKE, VIRGINIA



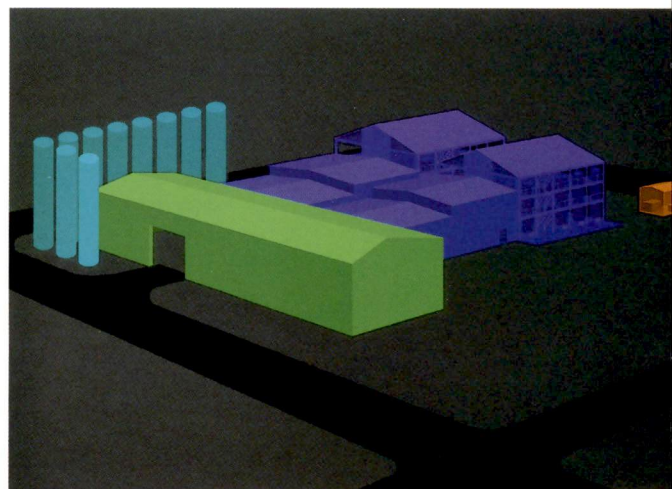
BELPRE, OHIO



SELKIRK, NEW YORK



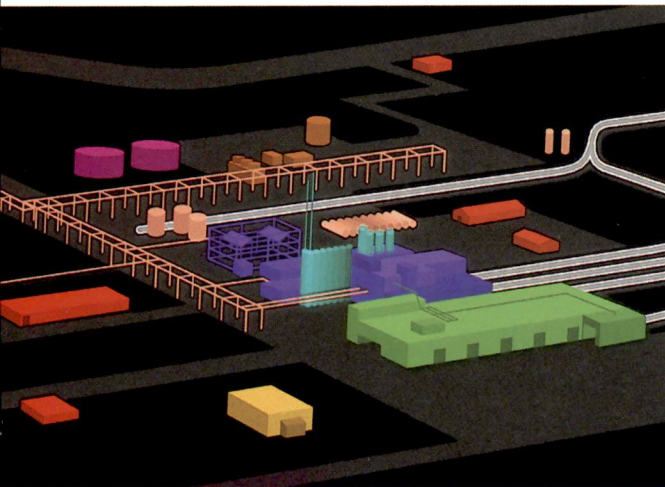
CARRINGTON, ENGLAND



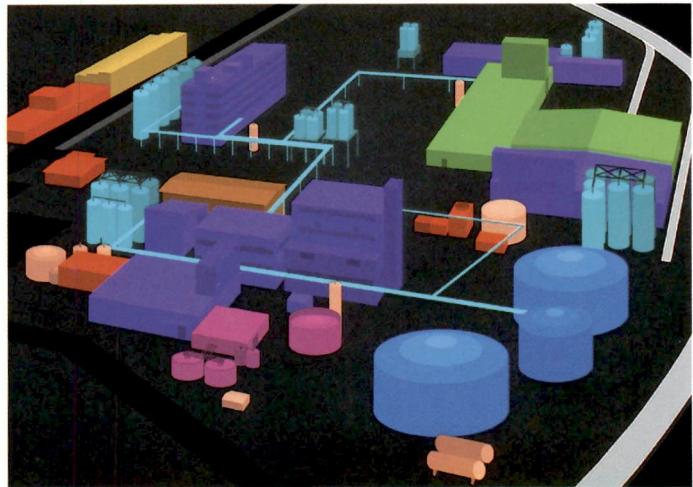
KAOHSIUNG, TAIWAN



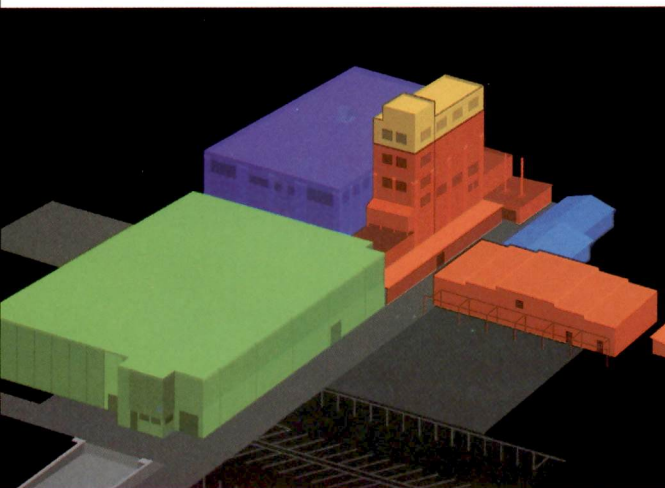
Additional facilities also located in: CONNEAUT, OHIO
DONORA, PENNSYLVANIA
LOCKPORT, NEW YORK



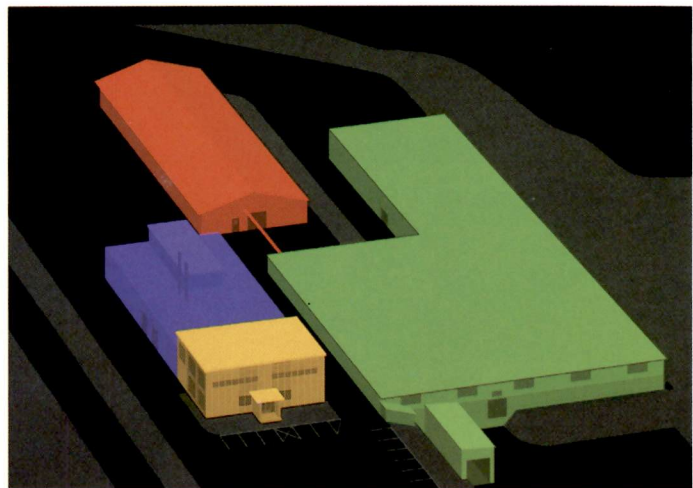
WOODBURY, NEW JERSEY



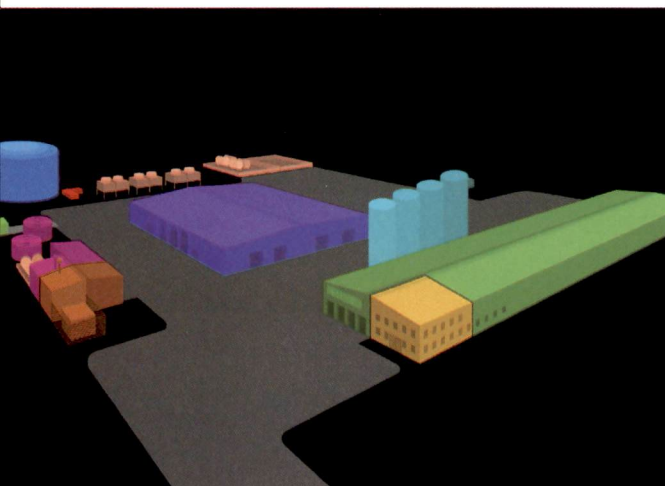
PERU, ILLINOIS



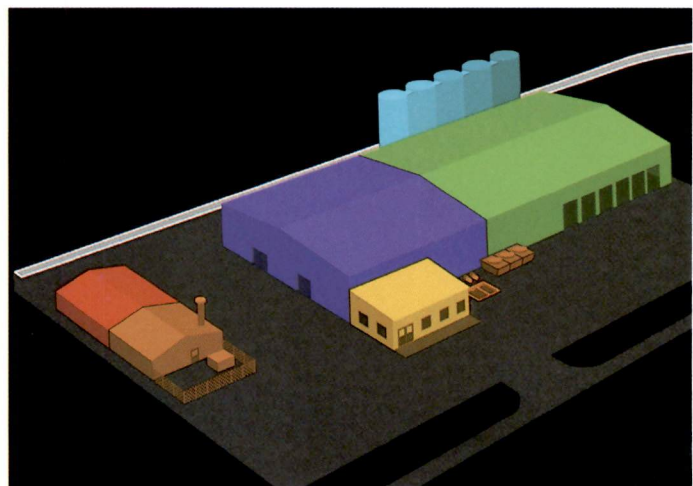
ROME, GEORGIA



MANSONVILLE, CANADA



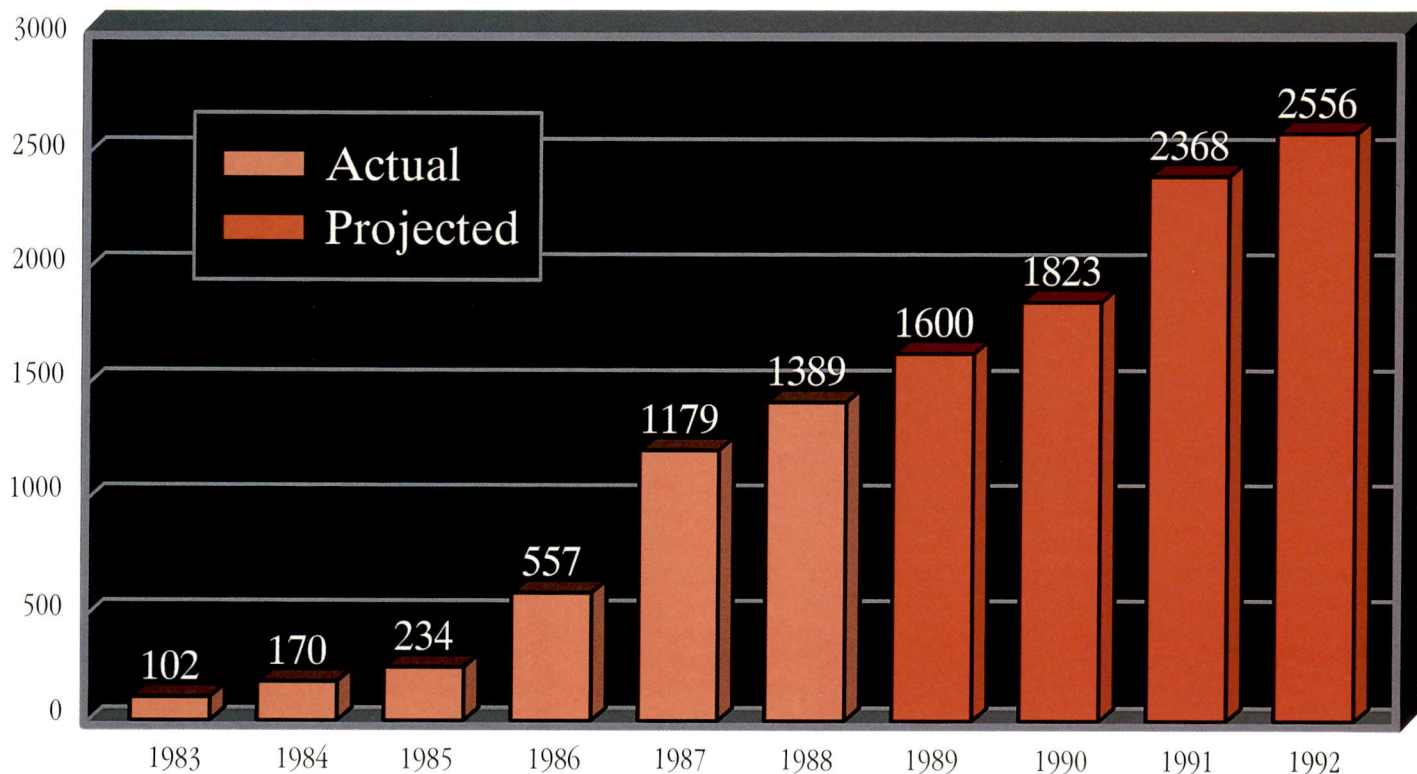
MAP TA PHUT, THAILAND



MOSCOW, USSR

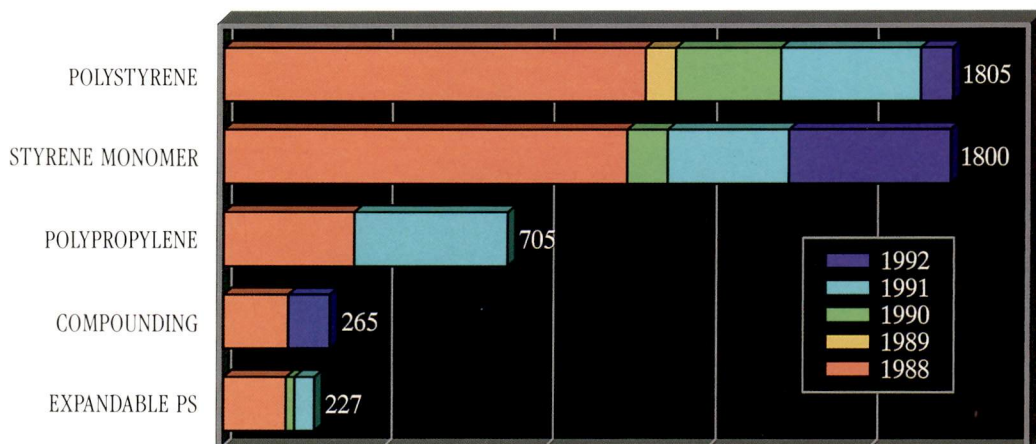
REVENUES AND CAPACITIES

HUNTSMAN COMPANIES CONSOLIDATED REVENUES*

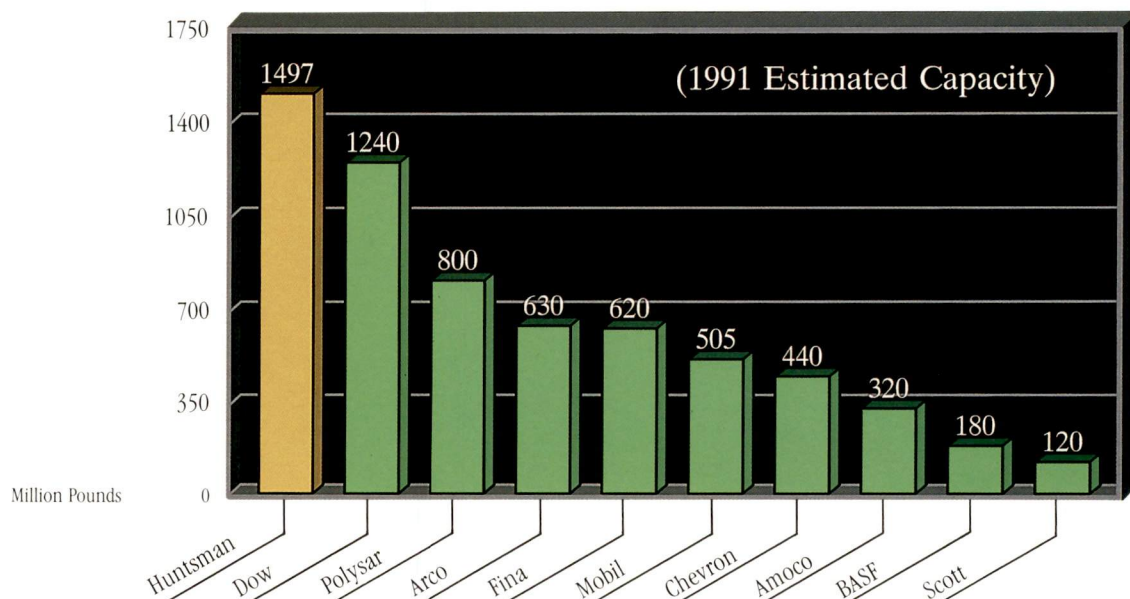


Million Dollars

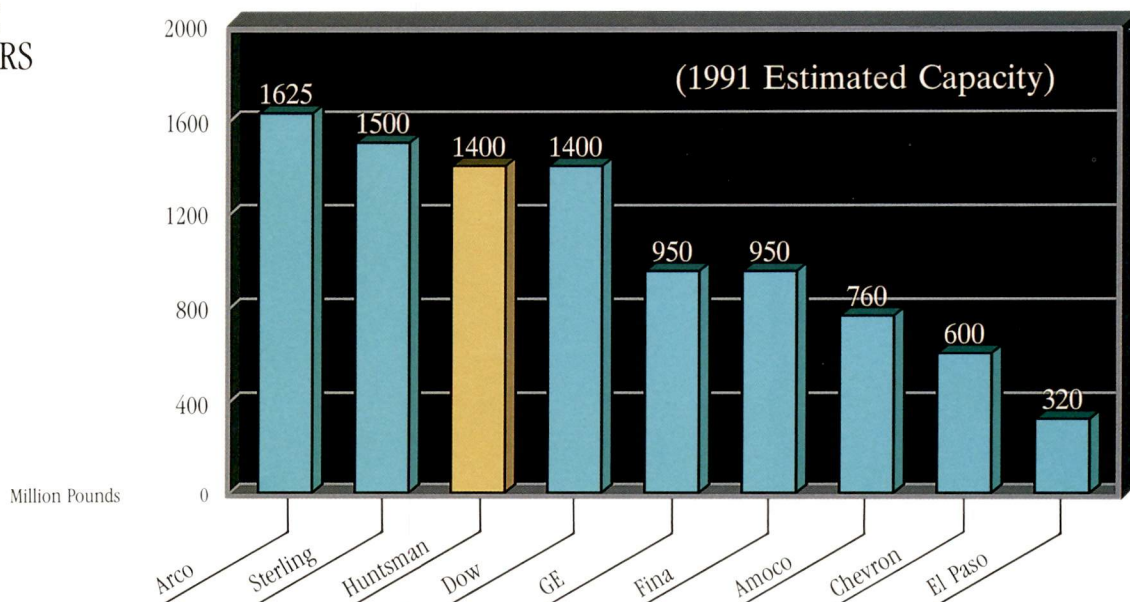
HUNTSMAN COMPANIES GLOBAL CONSOLIDATED ANNUAL CAPACITY 1988-1992



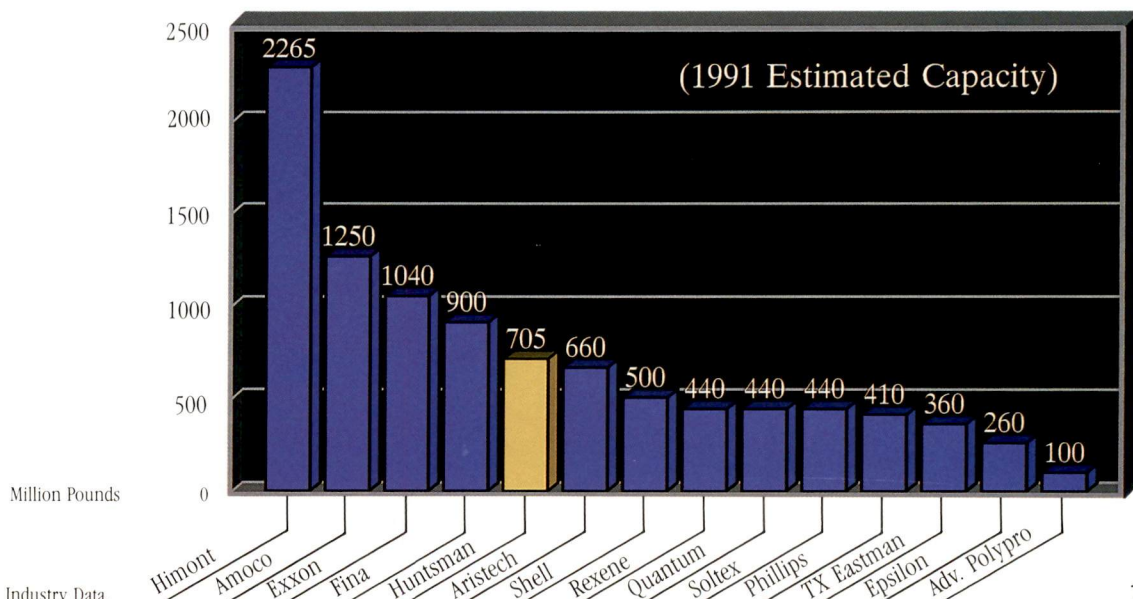
MAJOR U.S. POLYSTYRENE/ EXPANDABLE POLYSTYRENE PRODUCERS



MAJOR U.S. STYRENE MONOMER PRODUCERS



MAJOR U.S. POLYPROPYLENE PRODUCERS





THE HUNTSMAN MANAGEMENT TEAM

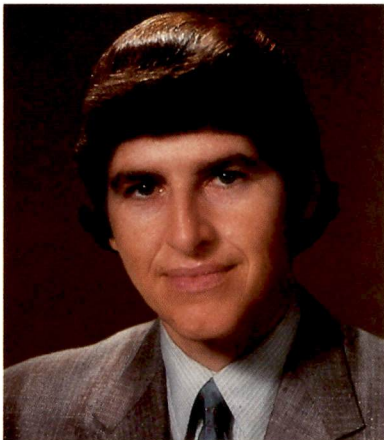


Ronald A. Rasband

President and Chief Operating Officer
Huntsman Chemical Corporation

Ronald A. Rasband, who began his career with Jon Huntsman in 1975 with Huntsman Container Corporation, has served in numerous executive management positions. As President and Chief Operating Officer of Huntsman Chemical Corporation, he is responsible for managing, on a global basis, Huntsman's plastics and petrochemical operations in the United States, Canada, Europe and the Far East. Mr. Rasband is a member of the Board of Directors for each of the Huntsman companies.

The success of any organization is derived from its people and management. Our ability to attract and maintain outstanding professionals is an essential element in our drive to be the most progressive and competitive company in our industry around the world. The Huntsman companies are very proud of the highly qualified and dedicated executives who will lead our businesses into the 1990's.

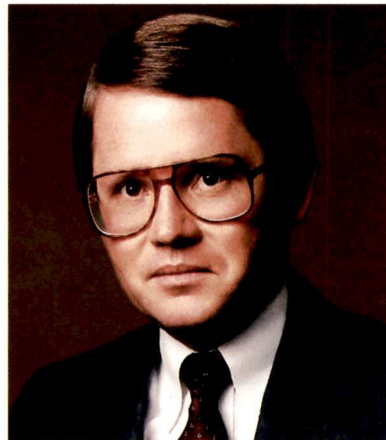


Henry W. Sullivan, Ph.D.

Vice Chairman
Huntsman Chemical Corporation

Dr. Henry W. Sullivan, Vice Chairman of Huntsman Chemical Corporation, works with Jon Huntsman on the overall direction of the company, concentrating on growth through acquisitions, major capital projects and international ventures. He is also active as a Director in all the Huntsman companies.

Prior to joining Huntsman, Dr. Sullivan, who holds a Ph.D. in Chemical Engineering, served as Vice President and General Manager of Shell Chemical Company.



Brent M. Stevenson

President
Huntsman Holdings Corporation

Brent M. Stevenson is the President of Huntsman Holdings Corporation, the holding company for the Huntsman companies. His responsibilities include new projects, mergers, acquisitions, and divestitures for the entire network of Huntsman companies. In addition, Mr. Stevenson oversees other interests of the Huntsman family and is a member of the Board of Trustees of the Huntsman Foundation. Prior to joining Huntsman Chemical Corporation, Mr. Stevenson was a shareholder and Director of the law firm of Van Cott, Bagley, Cornwall & McCarthy, in Salt Lake City, Utah, where he had represented the Huntsman organization since 1978.

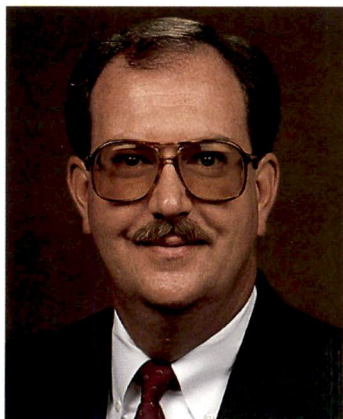


Terry R. Parker

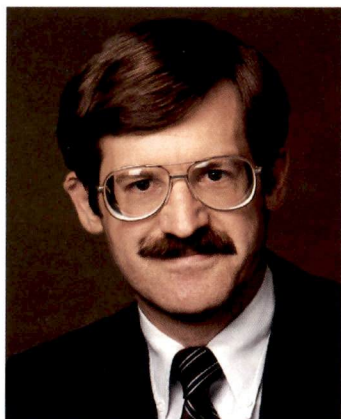
President
Huntsman Corporation

Terry R. Parker has been with Huntsman-related companies since 1974 and has served in numerous operating and financial positions during the fifteen-year period. Mr. Parker was formerly Executive Vice President and Chief Financial Officer of Huntsman Chemical Corporation. In his current position as President of Huntsman Corporation, his major focus involves acquisitions, expansions, and financings.

HUNTSMAN OFFICERS



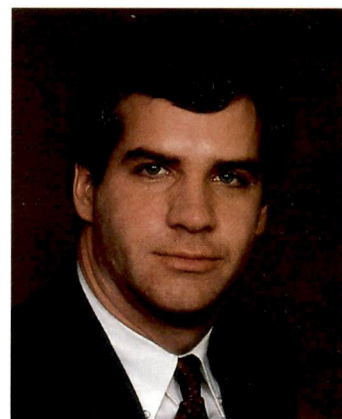
Mark A. Bruner
Executive Vice President



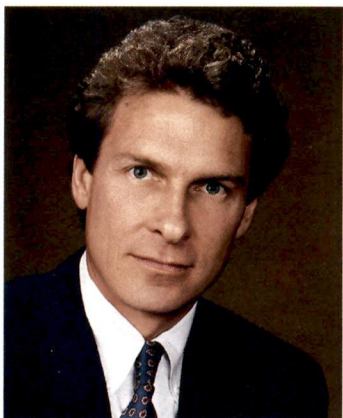
Randall A. Plant
Senior Vice President—Finance



Herbert Schrob
Senior Vice President—Operations



Patrick J. Schwartz
Senior Vice President—Marketing
and Administration



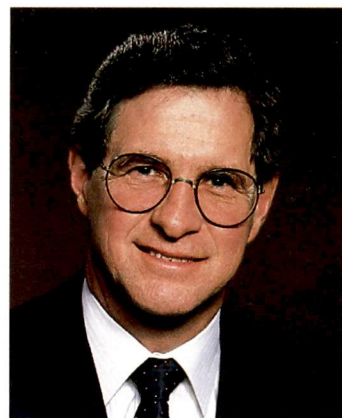
Brent S. Turkington
Senior Vice President—Petrochemicals



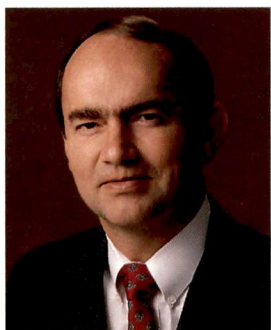
Richard A. Urbanski
Senior Vice President—Europe



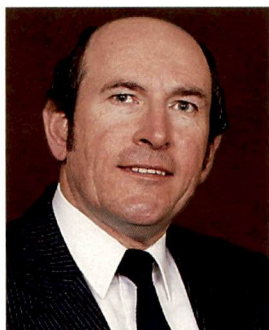
Brent D. Ward
Senior Vice President—General Counsel



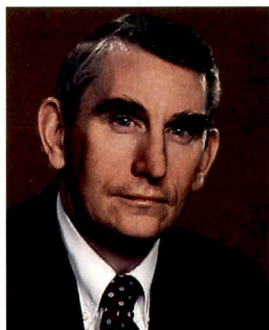
Thomas H. Wood
Senior Vice President—International



Jack R. Calton
Vice President—Finance



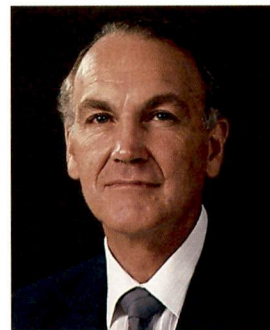
Leonard Clark
Vice President—Managing Director,
England



Winston H. Connor
Vice President—Human Resources



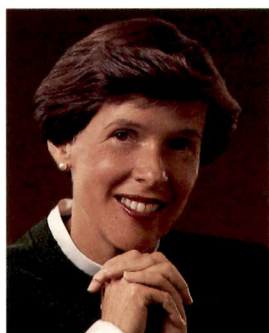
Michael C. Eades
Vice President—Corporate Development



Fred J. Flaschentrager
Vice President—Engineering



Joe S. Foster, Jr.
Vice President—Polystyrene



Karen H. Huntsman
Vice President and Director



Peter R. Huntsman
Vice President—Purchasing



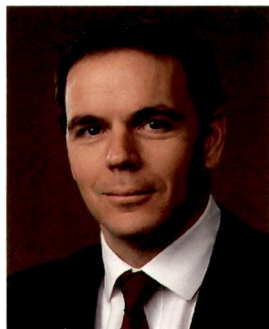
Philip M. Jacobs
Vice President—Research
and Development



Bradford R. Jones
Vice President—Polypropylene



Don H. Olsen
Vice President—Corporate
Communications



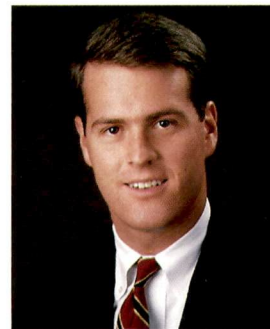
Michael T. Ringwood
Vice President—Controller



Robert C. Shelker
Vice President—Expandable
Polystyrene



Lee S. Skidmore
Vice President—Treasurer



Richard P. Durham
Secretary



HUNTSMAN CHEMICAL CORPORATION



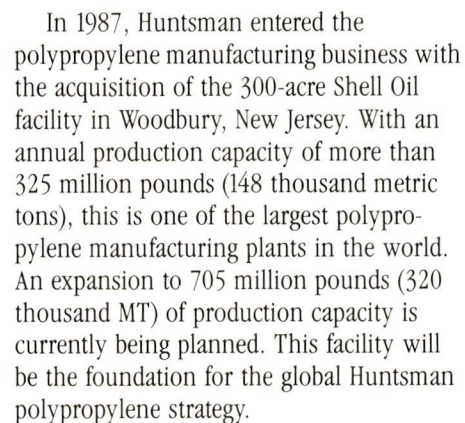
Huntsman Chemical Corporation, along with its wholly-owned Canadian subsidiary, is the largest polystyrene producer in North America, leading an industry that includes such noted competitors as Dow Chemical, Mobil Oil, Amoco and Chevron. Huntsman is also a global producer of styrene monomer and expandable polystyrene.

Polystyrene is used to make a variety of products ranging from RCA television sets to egg cartons, from Polaroid cameras to medical disposables, from Fisher-Price Toys to the familiar "clam shell" container used by McDonald's. Expandable polystyrene is converted into protective packaging, cups for hot/cold drinks and insulation for residential, commercial and industrial construction. Styrene monomer is a clear, colorless liquid used as the primary raw material in the manufacturing of polystyrene, ABS and many other thermoplastic resins and rubbers.

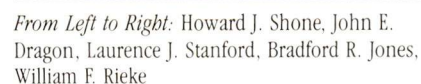
Huntsman Chemical Corporation is at the heart of the Huntsman family of companies, contributing the major share of current consolidated revenues and profits.



An Affiliate of Huntsman Chemical Corporation



The addition of this major thermoplastic product line made Huntsman a more complete supplier to customers and industries around the world.





GENERAL ELECTRIC—HUNTSMAN CORPORATION (GEH)

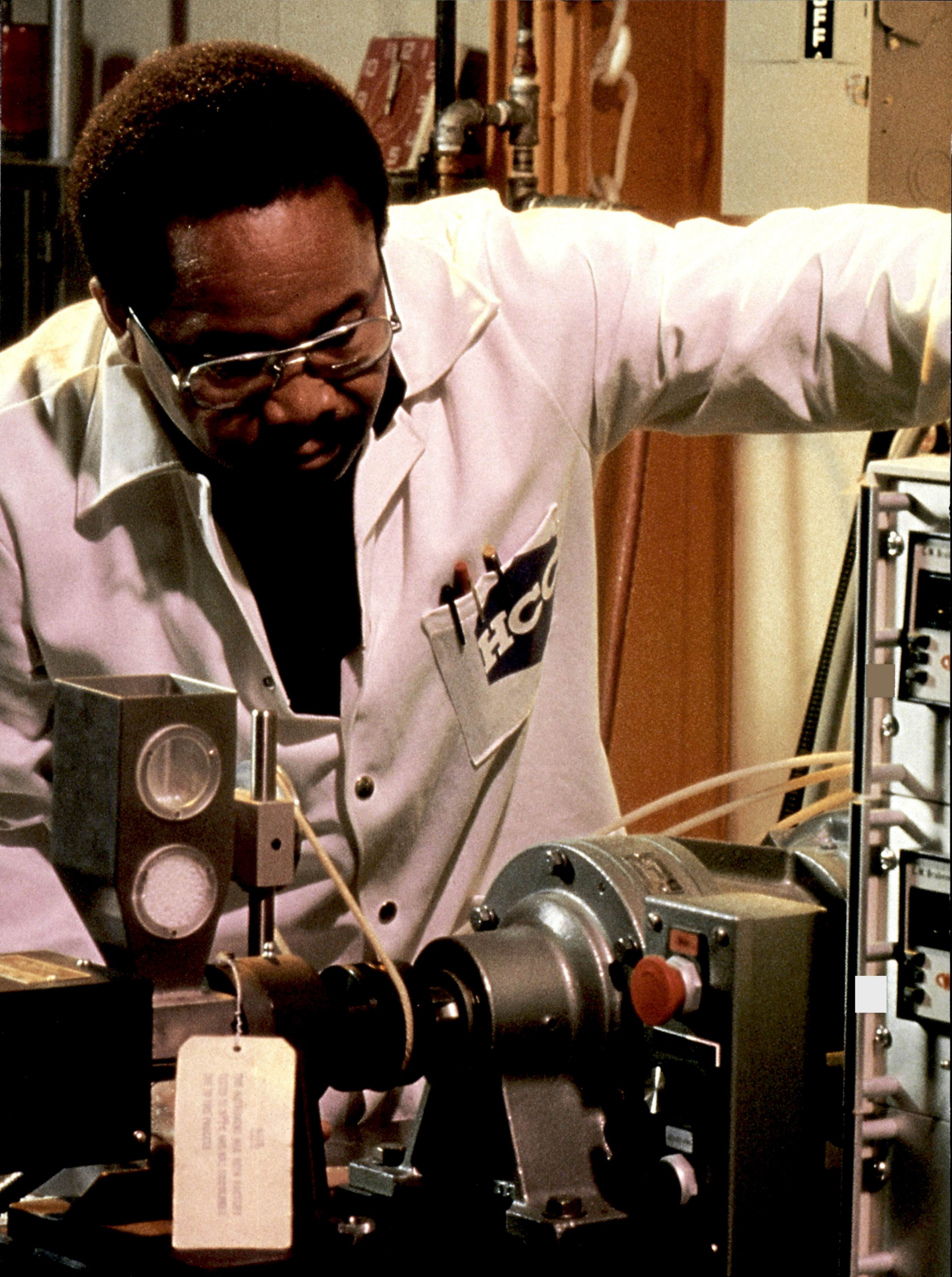
An Equal Partnership with General Electric & Huntsman Chemical Corporation



In 1986, Huntsman entered a 70 million U.S. dollar partnership with General Electric. This new venture united world leaders in engineering plastics and polystyrene technology. Today, the first GE-Huntsman plant, located in Selkirk, New York, produces the newest generation of specialized polystyrene and modified polyphenylene oxide products. These high-performance plastics offer unique and predictable properties to the automotive, appliance and electronics industries. Additional GE-Huntsman facilities in the U.S. and abroad are underway.



From Left to Right: Lawrence A. Bossidy (Vice Chairman—General Electric Company), Glen H. Hiner (Senior Vice President—GE Plastics), Jon M. Huntsman, (Chairman—Huntsman Chemical Corporation)



A Wholly-Owned (European) Subsidiary of Huntsman Chemical Corporation



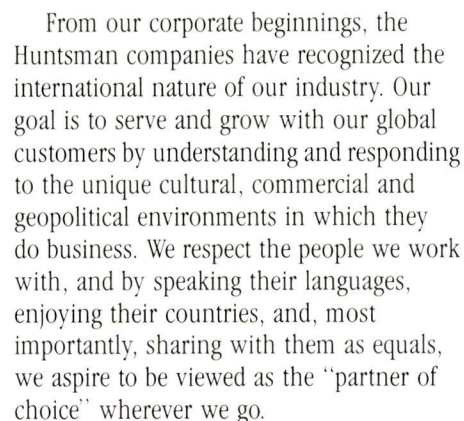
From Left to Right: Back Row: Adin L. Clarke, J. Barry Ayscough, John A. Whent, Frederick T. Lea. *Front Row:* Leonard Clark, Richard A. Urbanski, Raymond Howard

completion of the two new production lines currently under construction, the plant will produce 300 million pounds (136 thousand MT) of polystyrene annually and serve as the base of a growing commitment to the European market.

On January 17, 1989, it was announced that Huntsman plans to build a manufacturing and packaging operation in Moscow, U.S.S.R., and supply it with polystyrene from its Carrington, England, plant. This joint venture to manufacture plastic food service products with Aeroflot Soviet Airlines and Marriott Corporation is the second step in the planned broadening of the Huntsman presence in Europe and the Soviet Union.



A Wholly-Owned Subsidiary of Huntsman Chemical Corporation



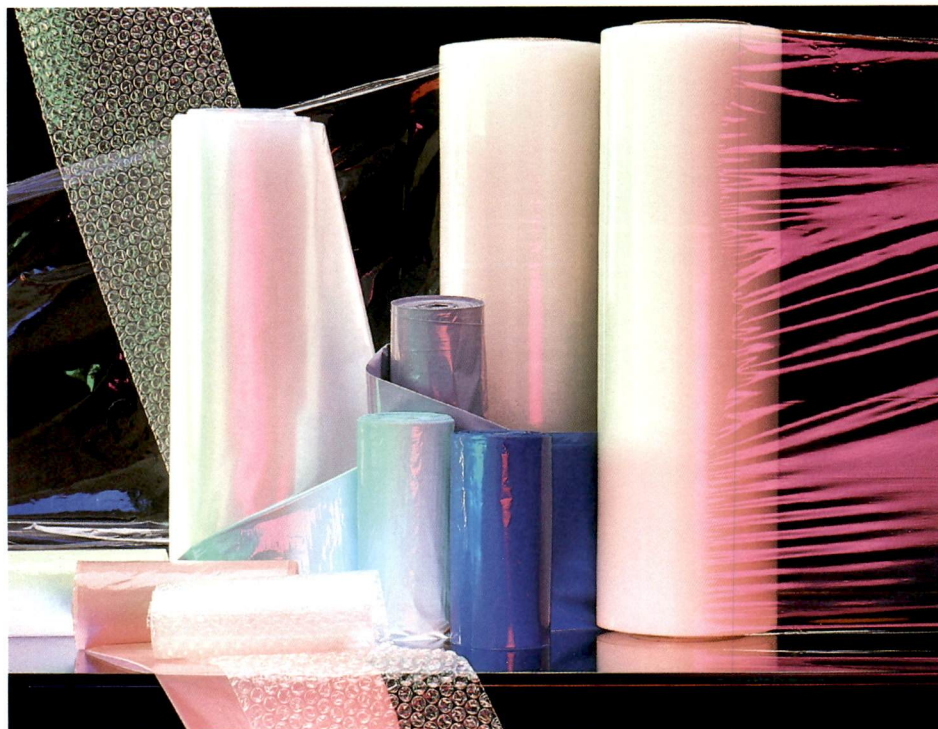
Huntsman International, Ltd. was formed in 1987 to coordinate our increasing international operations, currently including ventures in Taiwan and Thailand. The Taiwan-based Huntsman Pacific Chemical Corporation currently produces 50 million pounds (23 thousand MT) of polystyrene per year and will be expanded during the 1990's. In a venture recently approved by the Thai government, Huntsman will join forces with Mitsubishi Corporation and TOA Chemical Industries, Ltd. (Thailand) to build a 50 million pounds (23 thousand MT) per year polystyrene facility in Map Ta Phut, Thailand. A follow-up venture to produce expanded polystyrene at Map Ta Phut has since been approved as the second Huntsman venture in Thailand.

The company is actively pursuing joint ventures and additional manufacturing sites as well as licensing agreements through our partnership with Lummus Crest (a division of Combustion Engineering). Exciting developments in China, India, Singapore, and the Middle East are planned steps in achieving a position of global leadership in petrochemicals.



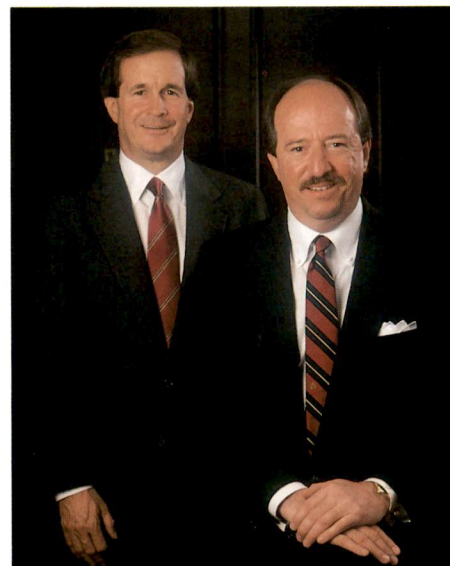
POLYCOM HUNTSMAN, INC.

An Equal Venture with Polycom, Inc. & Huntsman Chemical Corporation



Polycom Huntsman produces specialty compounded products for the automotive, appliance, packaging, and electronics markets, providing customers a full line of color concentrates, specialty additive concentrates, filled polypropylene, and custom compounding services. With an annual capacity of 165 million pounds (75 thousand MT), Polycom Huntsman, Inc. is a market leader and one of the largest custom compounders in the U.S., with full-service facilities strategically located in Donora, Pennsylvania; Conneaut, Ohio; and Lockport, New York.

Formerly Polycom, Inc., established in 1977, the name was changed to Polycom Huntsman, Inc. in 1985 to reflect the 50 percent equity position taken by Huntsman Chemical Corporation.



From Left to Right: Lawrence E. Welsh, Ralph B. Andy

HUNTSMAN CHEMICAL CORPORATION:

CORPORATE HEADQUARTERS

2000 Eagle Gate Tower
Salt Lake City, Utah 84111
(801) 532-5200
TLX: 759496
FAX: (801) 355-6629

Oakwood Office (Utah)

3760 South Highland Drive
Salt Lake City, Utah 84106
(801) 273-3950
FAX: (801) 273-3976

Houston Executive Office (Texas)

10000 Memorial Drive
Suite 900
Houston, Texas 77024
(713) 688-4774
FAX: (713) 688-4777

Baton Rouge Office (Louisiana) Styrene Monomer Customer Service

10114 Jefferson Highway
Baton Rouge, Louisiana 70809
(504) 295-1286
FAX: (504) 295-0973

Bayport Facility (Texas)

P. O. Box 58426
Houston, Texas 77258-8426
(713) 474-3304 or 3334

Belpre Facility (Ohio)

Township Road 97
P. O. Box 600
Belpre, Ohio 45714
(614) 423-6228
TLX: 9102400613
FAX: (614) 423-7156

Chesapeake Facility & Operations Office (Virginia)

5100 Bainbridge Boulevard
Chesapeake, Virginia 23320
(804) 494-2500
TLX: 9103334117
FAX: (804) 494-2602

Chicago Sales Office (Illinois)

907 N. Elm Street, Suite 301
Hinsdale, Illinois 60521
(708) 920-9155
FAX: (708) 920-0138

Peru Facility (Illinois)

501 Brunner Street
Peru, Illinois 61345
(815) 224-1525
FAX: (Same as Phone)

Rome Facility (Georgia)

6 Riverside Industrial Park
Rome, Georgia 30161
(404) 232-1819
FAX: (404) 232-6550

HUNTSMAN CHEMICAL COMPANY OF CANADA, INC.:

Mansonville Facility (Canada)

Bellevue Street
C.P./P. O. Box 231
Mansonville
Quebec J0E 1X0
Canada
Phone/FAX from U.S.: (518) 298-2177
Phone/FAX from Canada: (514) 292-3333

HUNTSMAN CHEMICAL COMPANY LIMITED:

Carrington Facility (England)

Carrington
Urmston
Manchester M31 4AJ
England
Phone: 44-61-775-5321
TLX: 851668460
FAX: 44-61-775-0105

Moscow Facility (U.S.S.R.)

Under Construction

HUNTSMAN PACIFIC CHEMICAL CORPORATION:

Taipei Office (Taiwan)

42-1 Hsu Chang Street
Taipei, 100
Taiwan R.O.C.
Phone: 886-2-311-4731
TLX: 78511968
FAX: 886-2-361-4240

Kaohsiung Facility (Taiwan)

No. 4 Hsing Kung Road
Ta-She Industrial Park, Kaohsiung
Taiwan, R.O.C.
Phone: 886-7-351-3911
FAX: 886-7-351-2038

Map Ta Phut Facility (Thailand)

Under Construction

HUNTSMAN POLYPROPYLENE CORPORATION:

Woodbury Facility (New Jersey)

Mantua Grove Road
P. O. Box 700
Woodbury, New Jersey 08096
(609) 423-7900
FAX: (609) 423-1273

POLYCOM HUNTSMAN, INC.: Corporate Headquarters (Pennsylvania)

90 West Chestnut Street
Washington, Pennsylvania 15301
(412) 225-2220
TLX: 846369
FAX: (412) 225-7170

Donora Facility (Pennsylvania)

Washington Street
Donora Industrial Park
P. O. Box 492
Donora, Pennsylvania 15033
(412) 379-5400
TLX: 846587
FAX: (412) 379-6274

Conneaut Facility (Ohio)

W. Jackson & Whitney Streets
P. O. Box 339
Conneaut, Ohio 44030
(216) 593-1178
FAX: (216) 599-8311

Lockport Facility (New York)

4921 IDA Park Drive
Lockport, New York 14094
(716) 434-8856
FAX: (716) 434-0958

GENERAL ELECTRIC— HUNTSMAN CORPORATION (GEH):

Selkirk Facility (New York)

One Noryl Avenue
Selkirk, New York 12158
(518) 475-5734
FAX: (518) 475-5583

HUNTSMAN CHEMICAL CORPORATION
& AFFILIATED FAMILY BUSINESSES

2000 Eagle Gate Tower
Salt Lake City, Utah 84111
(801) 532-5200

April 12, 1991

THE WHITE HOUSE

Dear Forbes Family -

Kathi and I had a spectacular time on "The Highlander" last evening. The food was superb and the fellowship was even better.

Thank you for including us. Please keep in touch.

Sincerely,
Andy Card

THE WHITE HOUSE
WASHINGTON

Mr. Malcolm S. Forbes, Jr.
President and Chief Executive Officer
Editor-in-Chief
Forbes Magazine
60th Fifth Avenue
New York, New York 10011

THE WHITE HOUSE

March 27, 1991

Dear Professor Freese -

Thank you for your letter. Your suggestion has been shared with the appropriate people here.

The Gulf War success has restored America's pride. — Keep in touch.

Sincerely, *Andy Card*

Andrew H. Card Jr.
THE WHITE HOUSE
WASHINGTON

Professor Richard Freese
Bentley College
175 Forest Street
Waltham, Massachusetts
02154-4705



Bentley College
Waltham, Massachusetts 02254

Rec'd
MAR - 5 1991

Institute for Research
and Faculty Development
(617) 891-2068

2/26/91

AC HAS SEEN

DEAR Mr. Card:

The end of the war in the Gulf now seems imminent. A cessation of hostilities will, no doubt, produce a rush of emotion and a fierce pride in our troops.

Once these soldiers have been repatriated, a grateful nation will say "thank you for a job well done". It may not be too soon to consider appropriate ceremonial tributes.

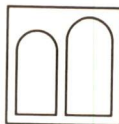
would it be desirable to arrange a special White House dinner for a broadly representative group of soldiers who served in the Gulf and their families.

(2)

This may be a more appreciated
and meaningful event than
a ticker tape parade.

Sincerely,

Professor Richard Freese



Prof. R. Freese
Bentley College
175 Forest Street
Waltham, Massachusetts 02154-4705

THE WHITE HOUSE

2/2/91

Dear Michelle -

Thank you for your letter and interest in joining the Bush Team. As I write this note, Bonnie Newmen is moving boxes out of her office with an eye toward exciting opportunities in New Hampshire. Bonnie is a superstar! She will be missed here.

Bonnie's deputy, Paul Bateman, will step in to make sure we stay on track. Should others be considered for the post, I'll let you know.

Keep in touch. Sincerely, Andy Card

Andrew H. Card
THE WHITE HOUSE
WASHINGTON

Michelle L. Flaherty
6 Barbara Road
Hopkinton, Massachusetts
01748

MICHELLE L. FLAHERTY

6 Barbara Road
Hopkinton, Massachusetts 01748
(508) 435-2316

AC HAS SEEN

January 9, 1990

Andrew Card
Special Assistant to the President
White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Andy:

Hope this letter finds you well, though I am sure in light of what's going on in the world you must be under great stress.

This letter is the proverbial "shot in the dark". I read that Bonnie Newman is leaving her position to start a radio station in New Hampshire. I really have no idea how positions like hers are filled, but I thought I would let you know, that I would be interested in pursuing such a position.

I have enclosed my resume for consideration along with a few letters of reference. After running my own business for the last year, I really find it far too solitary for my liking. I've been busy, but not challenged. Therefore, I have initiated a search for something challenging.

It is really great to see what's going on back here. The Party has a great opportunity to put this State back on track and to rebuild a two-party system. I am hopeful for our future. Best wishes for the New Year.

Sincerely,



Michelle L. Flaherty

MICHELLE L. FLAHERTY

6 Barbara Road
Hopkinton, Massachusetts 01748
(508) 435-2316

- SUMMARY:** An innovative, flexible, results-oriented manager with sixteen years of progressive management experience in business organizations utilizing organization, marketing, legislative and communication skills. Proven ability to identify, evaluate and resolve issues and to establish excellent interpersonal working relationships.
- EDUCATION:** M.B.A., Anna Maria College, Bachelor of Science, Suffolk University, Certificate of Organization Management, University of Delaware.
- EXPERIENCE:** Conducted lobbying activity on significant business issues. Serving as a registered lobbyist.
- Arranged for press conferences and media coverage for key business and government leaders.
- Negotiated for appearances by officials representing labor, government, industry and education.
- Pioneered new programming and services for a full time business organization.
- Revitalized a tired membership organization from 390 members to 1400 members. Redesigning promotion material and developing a marketing strategy.
- Created major events including multi-day Expo for business, symposiums, seminars, banquets, and training sessions.
- Wrote newsletters, speeches and scripts for a variety of events.
- Created coalitions to solve community problems, negotiated solutions acceptable to diverse constituencies.

WORK HISTORY: Principle, M & M Solutions - Present

President, Metrowest Chamber of Commerce
Framingham, MA -1979-1990

General Manager, Lobbyist, Greater Lowell
Chamber of Commerce -1974-1979

Page, House of Representatives, Commonwealth
of Massachusetts -1971-1974

AWARDS: CCE Certified Chamber of Commerce Executive
American Chamber of Commerce Executives

Woman of the Year, 1976 Lowell Jaycees, 1982
Business & Professional Women's Club, 1986
West Suburban/Boston YWCA

COMMUNITY: Chairman of the Board, Framingham State College
1981-84, Trustee 1980-88

Board of Directors, Metrowest United Way

Board of Directors, American Chamber of Commerce
Executives

Board of Directors, Massachusetts Association of
Chamber of Commerce Executives, President 1982

Chairman, American Cancer Society Fund-raiser,
Metrowest Hospice Fund-raiser

FLUENT IN FRENCH

REFERENCES UPON REQUEST

ALPHA INDUSTRIES, INC.

20 Sylvan Road, P.O. Box 1044, Woburn, MA 01801 • (617) 935-5150 • TWX: 710-393-1236 • TELEX: 949436



19 February 1990

To Whom It May Concern:

I am delighted to write this letter in support of Michelle Flaherty, as she is one of the most competent young people that I know.

She has a rare combination of brains, common sense and integrity that permit her to perform her duties in an outstanding manner.

Naturally, her knowledge and appreciation of our free enterprise system and her willingness to work extra hard to make that system work makes her a person who is extremely valuable to our private sector.

Interestingly enough, her interest in and pragmatic understanding of our wild and wooly public sector give her a rare ability to get results in that Byzantine world as well.

All in all, I am a big fan of Michelle Flaherty's. If you would care to call me, I would be more than happy to elaborate on any of the above statements.

Sincerely,

George S. Kariotis
Chairman and
Chief Executive Officer

GSK/rm



Commonwealth Gas Company
157 Cordaville Road
Southborough, Massachusetts 01772
Telephone (508) 481-7900

Reply to:

February 12, 1990

To Whom It May Concern:

I have known Michelle Flaherty for eleven years. In fact, I was on the Chamber Search Committee which selected her as chief executive of what was then the South Middlesex Area Chamber of Commerce. She was clearly the best candidate of the twenty interviewees.

When Michelle took the reins of SMACC, it was in dire condition -- membership was low, finances were tight and the staff had been reduced to a skeleton crew. I was serving as first vice president at the time and de facto volunteer leader (since the president was ill). During that first year and subsequent years, I witnessed Michelle lead her staff and volunteers from the depths to the heights. Record increases in membership, more programs, and a greater presence in the area resulted from a more vibrant and effective Chamber.

Michelle continued her successes over many years. The Chamber was renamed "Metrowest" to recognize its regional impact. She became recognized as a potent force in the area and came to know influential individuals throughout the state. Michelle's counsel and perspectives on important issues were sought by both the business and political communities.

The talents that enabled Michelle to make such an impact on the Metrowest area are many. A few that stand out are:

- (1) Outstanding communication skills
- (2) Discipline and a willingness to work as long and as hard as necessary to achieve goals
- (3) Infective enthusiasm
- (4) The intelligence and political instincts required to grasp local and state issues
- (5) Honesty and sincerity

Michelle is changing careers. Her presence in the Metrowest area will be remembered for a long time. Many individuals and businesses in the area appreciate her numerous contributions. I am convinced that she will continue to achieve at high levels in her new career.

Sincerely,

A handwritten signature in cursive script that reads "William G. Poist".

William G. Poist
President

WGP:sas

OFFICE OF THE PRESIDENT

March 12, 1990

To whom it may concern:

I have worked with Michelle Flaherty at the Metrowest Chamber of Commerce since she joined that organization in 1979. I was on the Executive Board for five years and was Chairman for one year during that period, so I have had a good opportunity to observe her performance. Under her direction, the Chamber grew from 390 members to the present 1440 members, an impressive accomplishment. The Chamber also extended its influence into many areas that critically affect business operations in our area and in the state.

Michelle is an intelligent, enthusiastic, creative and high energy person who motivates others and gets things moving. She is willing to work hard and do whatever is necessary to get a job done.

She is a self-starter, a good leader and can effectively make contacts and organize resources that may be necessary to accomplish her goals.

Michelle could constructively contribute to any organization that is dedicated to growth and needs an individual to spearhead changes.



Sherwin Greenblatt

/nc

2-11-91

Dear Miriam -

Thank you for your letter recommending Jeff Moriarty for a position with the Bush/Quayle Administration. I will work with Chas and Ron to see what opportunities exist in energy related responsibilities.

Your dedication to the President continues to impress me. Sincerely, Andy

Andrew H. Card, Jr.
THE WHITE HOUSE
WASHINGTON

Miriam J. Ramirez de Ferrer, M.D.

Box 3225

Mayaguez, Puerto Rico

00709

THE WHITE HOUSE

2-11-91

Dear Mr. Moriarty-

My good friend, Miriam Ferrer of Puerto Rico, has contacted me on your behalf. I appreciate your interest in serving in the Bush/Quayle Administration and will work with the appropriate officials to see what opportunities might fit.
Keep in touch. Sincerely, Andy Card

Andrew H. Card, Jr.

THE WHITE HOUSE
WASHINGTON

Mr. E. Jeffrey Moriarty
10503 Lak Avenue
Cleveland, Ohio
44102

THE WHITE HOUSE
WASHINGTON

DATE: 2-11-91

TO: Ron Kaufman

FROM: ANDY CARD
Andy

You may want
to talk w/ Chase.

Thanks.

Miriam J. Ramirez de Ferrer, M.D.
Box 3225
Mayaguez, Puerto Rico 00709

January 20, 1991

Dear Andy:

During the last years I had the opportunity to meet Commander Moriarty who was in charge of Roosevelt Roads, Puerto Rico. He was an essential factor in keeping relations between the US Defense Dept. and the people of Puerto Rico at its highest. He was a great loss to us but we remain in contact and know that he is a very valuable individual for the United States. As Commander of the Atlantic Strike Fighter Wings based in Florida he is one of the highest ranking military officers in this gulf War offensive. One of his pilots was the first one downed in the Gulf War.

Commander Moriarty's brother is a highly qualified individual, specialized in energy problems, who is interested in working with the Bush Administration. The Commander has asked for my help in getting his brother's case brought up to the proper people in Washington. I have initiated the process with Chase Untermeier's office who sent him the corresponding paper work which he has filled out.

We feel it might be necessary to have someone else follow up on this so that it will not become a bureaucratic paperweight. Since I have a great interest in helping Commander Moriarty's brother in his desire to work with the Bush Administration, I am sending you his papers with hopes that you can help us out. Perhaps Ron, who by the way tell him I haven't heard from him in over a year, might help.

Thank you as always,

Miriam

COMMANDER
Strike-Fighter Wings, Atlantic
Naval Air Station
Cecil Field, FL 32215-0198



From the desk of the Commander, Strike-Fighter Wings, Atlantic

Miriam

As per our conversation
I would sincerely appreciate
your contacting Andy Card
or whoever might assist
in pushing Jeff's initiative
along. The numbers on
his application

RACCNR: 68924

BACH#: W344

may be of some reference help.
I believe they are probably
computer file numbers. Thanks
you for all your help.

Jack



COMMANDER
STRIKE-FIGHTER WINGS ATLANTIC
NAS CECIL FIELD, FLORIDA 32215-0198

18 January 1991

Dear Miriam

Greetings! I hope all is going well in Puerto Rico. As you can imagine I have been extremely busy and greatly burdened with what is occurring in the middle east. My present command is very heavily involved with people and material, which of course puts added concern upon us. I hope things continue to go well and that a rapid solution is forthcoming.

As you have by this time

noticed I have enclosed a few papers concerning Jeff's efforts to gain employment with the administration. I think, as you may agree, in reading Chase Untermeyer's 10 Jan letter that this might be a proper time for you to put a word in for him to Chase. I am sure that Mr Untermeyer is just as busy as we all are with this crisis but perhaps he may be able to focus on this at your request.

I truly appreciate your assistance in this matter. If all goes well I hope to get down to P.R. on 1 Feb for Adm Hernandez's retirement and I will personally thank you at that time.

Sincerely and warm regards
Jack Moriarty

THE WHITE HOUSE

WASHINGTON

January 10, 1991

Dear Mr. Moriarty:

I greatly appreciate your willingness to serve in the Bush Administration.

Because of the enthusiasm which the President has sparked in the country, the demand for jobs far exceeds the number of existing positions that are now available. Nevertheless, we have begun to review and process your resume and shall contact you if your talents can be utilized.

Thank you for your patience and for your support of the President.

Sincerely,

A handwritten signature in cursive script, appearing to read "Chase Untermeyer".

CHASE UNTERMAYER
Assistant to the President
and Director of Presidential Personnel

Edmund Jeffry Moriarty
10503 Lake Ave
Cleveland, OH 44102

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
01. Form	Chase Untermeyer to Edmund Jeffry Moriarty, Re: Application for administration position; contains Personally Identifiable Information. (2 pp.)	12/11/90	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, Office of the
Series: Card, Andrew H., Jr., Files
Subseries:
WHORM Cat.:
File Location: Correspondence--F [3]

Date Closed: 3/25/2025	OA/ID Number: 04883-006c
FOIA/SYS Case #: 2025-0373-S	Appeal Case #:
Re-review Case #:	Appeal Disposition:
P-2/P-5 Review Case #:	Disposition Date:
AR Case #:	MR Case #:
AR Disposition:	MR Disposition:
AR Disposition Date:	MR Disposition Date:

RESTRICTION CODES

Freedom of Information Act (FOIA) - [5 U.S.C. 552(b)]

(b)(1) National security classified information
(b)(2) Release would disclose internal personnel rules and practices of an agency
(b)(3) Release would violate a Federal statute
(b)(4) Release would disclose trade secrets or confidential or financial information
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy
(b)(7) Release would disclose information compiled for law enforcement purposes
(b)(8) Release would disclose information concerning the regulation of financial institutions
(b)(9) Release would disclose geological or geophysical information concerning wells

Deed of Gift Restrictions

C(1) Closed by Executive Order 13526, governing access to national security information
C(2) Closed by statute or by the agency which originated the information
C(3) Closed in accordance with restrictions contained in donor's deed of gift [formerly listed as only C]
PRM. Removed as a personal record misfile

Presidential Records Act - [44 U.S.C. 2204(a)]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]

EDMUND JEFFRY MORIARTY
10503 Lake Avenue
Cleveland, Ohio 44102

CAREER SUMMARY

Approximately 20 years legal experience, twelve of which were in General Counsel capacity. Additional experience as part of Management Committee directing affairs of the company.

EXPERIENCE

OLD BEN COAL COMPANY. Aug82-Present

Vice President Law/Corporate Secretary

Managed five member law department of Old Ben Coal Company, a \$379 Million (3000 employees) coal subsidiary of The Standard Oil Company (Ohio) now BP America. All general corporate legal matters were handled including acquisitions and divestments, real estate, environmental, employment, domestic and international contracts, labor, internally handled litigation and management of externally handled litigation. Specific coal matters such as black lung litigation, industry association lobbying were also handled. In addition to legal duties, served as member of the Management Committee of the Company which was responsible for handling day to day operation of the Company.

OLD BEN COAL COMPANY

Jan78-Jul82

SOHIO WESTERN MINING COMPANY

Chief Counsel and Senior Attorney

Responsible for all coal and uranium operations' legal matters. Reported directly to the President of the coal and uranium companies.

THE STANDARD OIL COMPANY (OHIO)

Apr75-Dec77

Staff Attorney

Duties involved drafting and negotiating domestic and international contracts, leases, health and safety litigation, EEOC, NLRB, environmental, general corporate, black lung litigation and other areas related to the coal and uranium operations.

OFFICE OF SOLICITOR

Jul72-Mar75

U.S. DEPARTMENT OF INTERIOR

WASHINGTON, D.C.

Staff Attorney

Duties involved preparation and trial of cases before Administrative Law Judges, U.S. District Courts and U.S. Courts of Appeal with respect to matters involving the Metal and Nonmetallic Safety Act and the Federal Coal Mine Health and Safety Act of 1969.

OFFICE OF GENERAL COUNSEL
NATIONAL LABOR RELATIONS BOARD
WASHINGTON, D.C.

Jun71-Jul72

ATTORNEY GENERAL'S OFFICE
STATE OF WISCONSIN

Sep70-Jun71

EDUCATION

University of Wisconsin, J. D., 1971
Marquette University, B. A.

PROFESSIONAL ASSOCIATIONS

State Bar of Wisconsin
Rocky Mountain Mineral Law Foundation
Eastern Mineral Law Foundation (Trustee)

PUBLISHED ARTICLES

Co-author, "The Federal Mine Safety And Health
Amendments Act of 1977", 80 West Virginia Law Review 429
(1978).

References And Additional Data
Available Upon Request



RESERVE
INDUSTRIES CORPORATION

January 10, 1991

Mr. E. Jeffry Moriarty
10503 Lake Avenue
Cleveland, Ohio 44102

Dear Jeff:

Enclosed are blind copies of the two letters we expressed out today.
I have talked to one of the Senator's assistants and I am sure that
he will see this letter.

I hope things work out.

Sincerely,

James J. Melfi, Jr.
Chairman

JJMjr/bts
encl.



**RESERVE
INDUSTRIES CORPORATION**

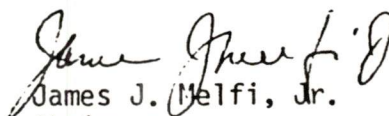
January 10, 1991

Ms. Ginny Garland
c/o Senator Pete Domenici
434 Dirksen Building
Washington, D.C. 20510

Dear Ms. Garland:

As discussed with Carrie Brennan, we would appreciate it very much if Pete could review the enclosed letter and related enclosures.

Sincerely,


James J. Melfi, Jr.
Chairman

JJMjr/bts
encl.
Via Federal Express



**RESERVE
INDUSTRIES CORPORATION**

January 10, 1991

Honorable Senator Pete Domenici
434 Dirksen Bldg.
Washington, D.C. 20510

Dear Pete:

Our friend and former business colleague, Jeff Moriarty, has applied to Chase Untermeyer, the Director of Presidential Personnel for a position with the Bush Administration. Jeff is well qualified having served in government and industry. We have first hand knowledge that Jeff is a top notch, very hardworking attorney as well as a fine person. He would be great asset to the administration.

We would appreciate it very much if you would read Jeff's resume, a copy of which has been submitted to Mr. Untermeyer's office for processing. We, of course, would be grateful for any help you could give Jeff in his quest for government service.

We have transitioned our company (now known as Reserve Industries) into the recycling of industrial wastes, particularly smelter by-products. To this end we have operations in the Philippines, Singapore, Washington state and Quebec, Canada. Work is underway to begin a new facility in Norway. If you ever have need to "pick our brains" on this subject, please give us a call. We hope to see you sometime in the near future.

With warm regards,

Frank C. Melfi

James J. Melfi, Jr.

THE WHITE HOUSE

Feb. 21, 1991

Dear Mr. Favaloro -

Thank you for the MWRA
Advisory Board "Special Report." I
will make sure other appropriate people
here know of your recommendations.
Keep in touch. Sincerely, Andy Card

Andrew H. Card, Jr.
THE WHITE HOUSE
WASHINGTON

Mr. Joseph E. Favaloro
Administrator
MWRA Advisory Board
Suite 915
Six Beacon Street
Boston, Massachusetts
02108

MWRA ADVISORY BOARD

Joseph E. Favaloro
Administrator

Six Beacon Street, Suite 915
Boston, Massachusetts 02108

Telephone:
(617) 742-7561

Rec'd
FEB 13 1991

February 11, 1991

Andrew Card, Deputy Chief of Staff
White House
Washington D.C. 20500

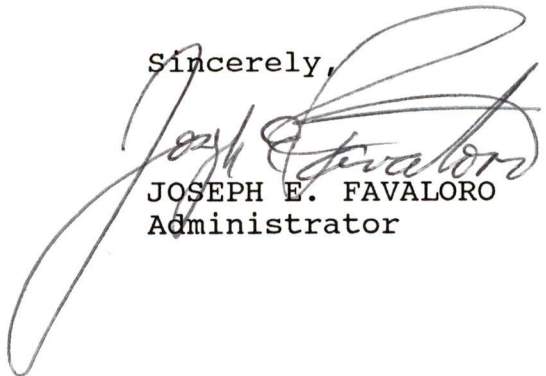
Dear Mr. Card:

Please find enclosed the Advisory Board's SPECIAL REPORT for your perusal. The report outlines several actions that the Federal Government, Governor, Legislature, and the MWRA can undertake to protect the environment and the ratepayer. The Advisory Board strongly believes that a degree of **"Environmental Realism"** is necessary to unite the MWRA's environmental goals with today's fiscal realities.

The Advisory Board supports the goals of a cleaner harbor, safe drinking water, and a sound infrastructure; however, this endorsement has been tempered by the knowledge that the \$8 billion price tag will be paid almost entirely by ratepayers. By FY94 water and sewer assessments are projected to double from FY91 levels to pay for these environmental goals. The Advisory Board believes that actions must immediately be taken to ensure costs to ratepayers are reduced and that the financial burden is distributed more fairly.

If you have any questions, or seek additional information, please contact the Advisory Board.

Sincerely,


JOSEPH E. FAVALORO
Administrator

enclosure

Arlington • Ashland • Bedford • Belmont • Boston • Braintree • Brookline
Dedham • Everett • Framingham • Hingham • Holbrook • Leominster
Medford • Melrose • Milton • Nahant • Natick • Needham • Newton
Revere • Saugus • Somerville • South Hadley • Southborough • Stoneham
Watertown • Wellesley • Weston • Westwood • Weymouth • Wilbraham



Burlington • Cambridge • Canton • Chelsea • Chicopee • Clinton
Lexington • Lynn • Lynnfield • Malden • Marblehead • Marlborough
Northborough • Norwood • Peabody • Quincy • Randolph • Reading
Stoughton • Swampscott • Wakefield • Walpole • Waltham
Wilmington • Winchester • Winthrop • Woburn • Worcester

SPECIAL REPORT

Facing the Fiscal and Environmental Realities of the MWRA's Mission

From its inception the MWRA Advisory Board has endorsed the goal of a cleaner harbor and improved water and sewer systems. However, this endorsement has been tempered by the knowledge that, absent a significant change in state and federal allocation policy, the \$8 billion price tag will be paid almost entirely by ratepayers. In circulating this Special Report, the Advisory Board hopes to highlight some of its major concerns, including:

Funding

- Mandates without money
- The need for the state to become a partner
- Outstanding payments owed to ratepayers

Scheduling

- The need to obtain a realistic construction schedule

Enactment of Legislation

- Watershed management
- Funding
- Broken promises
- Tax deductions for water and sewer charges
- Regulation

The Advisory Board is confident that, with all concerned parties working together, environmentally sound and reasonably priced water and sewer services can be delivered to communities. However, given the realities of present state and federal finances, there can be no reliance on traditional sources of funding. New and innovative funding mechanisms must be developed at all levels of government and cooperation by all parties—communities, MWRA staff, state and federal officials—the Governor, and the General Court—is necessary so that the goals of the Federal Clean Water and Safe Drinking Water Acts and the MWRA Enabling Act, are achieved.

The Legislature, in the Enabling Act that created the Massachusetts Water Resources Authority (MWRA), also established an independent Advisory Board whose members include the chief elected officials (or their designees) of the sixty cities and towns served by the MWRA, along with a member of the Metropolitan Area Planning Council and six gubernatorial appointees representing various interest groups. The Advisory Board appoints three members of the MWRA's Board of Directors. The Enabling Act gave the Advisory Board the statutory function to oversee specific aspects of the MWRA's operation and to protect the 2.5 million ratepayers' interests. The Advisory Board achieves this aim through its careful review of the MWRA's capital and operating budgets and by issuing recommendations on management practices and policy directions. The Advisory Board also performs the valuable function of serving as a liaison between the communities and the MWRA. Finally, the Advisory Board works for the passage of legislation that protects the environment while distributing the financial burden in an equitable manner.

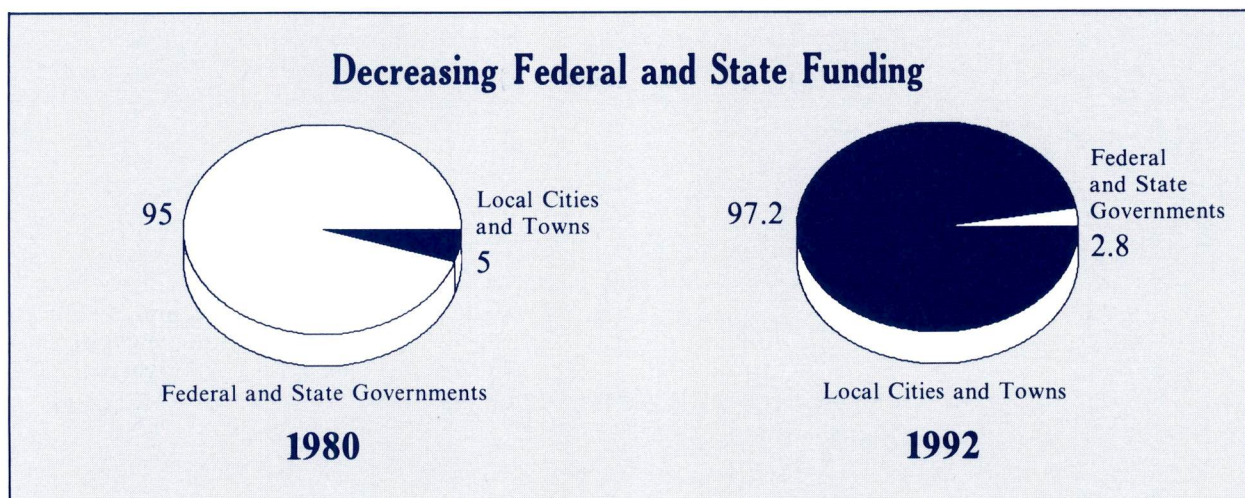
Known Areas Which Substantially Increase Rates

Mandates Without Money

Recent history has witnessed the passage of sweeping environmental laws in the form of the Clean Water and Safe Drinking Water Acts. The Advisory Board is in concurrence with the goals of these Acts. However, faced with a limited revenue base (60 cities and towns) and the revenue restrictions inherent in proposition 2½, the ratepayers cannot be expected to shoulder 98% of the enormous financial responsibilities of these state and federally mandated programs. State and Federal governments must provide the financial support necessary to meet the goals of these mandates. To further a safe environment for

largest wastewater treatment plant construction project in the United States.

Historically, there has been an unbalanced distribution of state funds for wastewater projects. During the years when state and federal grants were funding wastewater projects, cities and towns in what is now the MWRA service area received only 18% of the dollars available, even though ratepayers in those communities made up half the state's population. By 1996, the combined bill for sewer and water is expected to reach \$980 per year, per family, and is likely to reach \$1,450 per family, by the end of this decade; yet, that bill would be reduced substantially if the costs for



ourselves and future generations, both State and Federal governments will once again have to "put their money where their mandates are." The Federal government began dismantling Clean Water Act funding before the cleanup around the country was completed. During the first fifteen years of the Clean Water Act, a federal/state partnership provided 90% of the costs to construct mandated wastewater treatment facilities. One cannot realistically expect that level of funding again, but to the extent that both levels of government truly care about the environment and claim that the cleanliness of our state and federal waterways is a priority, they have an obligation to help fund cleanup efforts. It is neither realistic nor equitable to burden the ratepayer for the cleanup of damages to the harbor that occurred over the decades. Common sense dictates that it is inherently unfair to require ratepayers to pay for 98% of the cleanup, when other parts of the country benefitted from 90% federal funding. The State and Federal governments must assume their rightful responsibility and pay for their fair share of the

wastewater construction were at least partially funded by federal/state participation and/or alternative sources.

Broken Promises

The Commonwealth has not yet met its fiscal obligation regarding the Clinton Wastewater Treatment Plant. The Commonwealth owes the MWRA (and thereby the ratepayers) for the construction and maintenance of this facility which is not part of the MWRA service network. Funds for the construction of the Clinton Wastewater Treatment Plant were to come entirely from state and federal sources, and although the MWRA would run the new plant, operational costs would be paid by the Commonwealth of Massachusetts. However, the State enacted legislation in 1987 agreeing to subsidize the MWRA for the first \$500,000 of the plant's annual operating costs, with the balance being paid by the MWRA's ratepayers. *That annual cost is now estimated to be 2.8 million a year for the ratepayers - and the state has yet to contribute any money toward capital or current expense costs.*

however, the MWRA is allowed to sell its pellets to a fertilizer plant in another state, where the product can then be imported and sold within the Commonwealth. The DEP should allow the MWRA to market its own sludge pellets in Massachusetts, which even at present toxic content would contain far lower levels of toxics than products such as Milorganite. To the extent that the DEP consistently espouses the necessity for "beneficial reuse" of certain products, the Department's regulation of treated sludge is in direct contradiction to this policy. Furthermore, by promulgating regulations that maximize beneficial reuse of sludge pellets the DEP may ultimately lessen the MWRA's need for a landfill.

*Section 44F of Chapter 149 of
Massachusetts General Laws
(Filed Sub-Bid Law)*

This law requires that those parts of a public building project which cost more than \$10,000 be individually bid. The Boston Harbor Project is a 10-year construction effort and is the largest wastewater treatment plant construction project in the country. It is estimated that the application of the File Sub-Bid Law to this project would result in 500 to 700 filed sub-bid contracts. ***If the MWRA were exempt from this law for the Boston Harbor/Deer Island Wastewater Treatment Project, an estimated \$250 million could be saved.***

Legislation to Reduce Costs and Achieve a Better Environment

MWRA Advisory Board Legislation

An Act to Reduce Costs to MWRA Ratepayers

Sponsor: Representative Stephen Doran

The legislation enables the MWRA to fulfill the obligations of the Commonwealth to provide free water and sewer services to the Town of Clinton without penalizing MWRA ratepayers. The legislation increases the appropriation of capital funds from \$4 million to \$7.75 million for design and construction of the new wastewater treatment plant in Clinton. The bill also confirms that all capital costs of the Clinton project are eligible to be reimbursed by the DEP. The current \$500,000 limit on the Commonwealth's liability for Clinton's share of the operation and maintenance costs of the Clinton plant would be removed. Finally, the legislation streamlines the bookkeeping between the MWRA and the Commonwealth by permitting the MWRA to deduct the amount of sewer use charges billed to Clinton from the MWRA's annual payment to the Watershed Division of the MDC.

An Act Relative to the Composition of the MWRA Board of Directors

Sponsor: Senator Michael LoPresti

The legislation seeks to strengthen the MWRA Board of Directors by permitting the Town of Winthrop and City of Quincy to directly **appoint** their members to the Board of Directors as opposed to Gubernatorial appointment. In addition, the legislation would permit the MWRA Board of Directors to directly **elect** a Chairman and Vice-Chairman as opposed to the statutorily appointed Chairman of the Board, the Secretary of the Executive Office of Environmental Affairs.

Additional Legislation

An Act to Reduce Water and Sewer Fees

Sponsor: Representative David Cohen (by request)

The legislation seeks to permit cities and towns to include in their total taxes assessed, the debt service for capital improvements to the water and sewer system which have a municipal or a regional governmental purpose; provided that prior to making such tax assessments, which would exceed the levy limitation imposed by proposition 2½, the city or town has received approval to do so by a majority of voters present at either a general or special town meeting. Such approval shall remain in effect from year to year, until repealed in the same manner as previously approved.

An Act to Protect the Metropolitan Water Supply

Sponsor: Representative David Cohen

This legislation creates 200-400 foot "development-free" buffer zones around the watersheds.

An Act to Amend the Internal Revenue Code of 1986

Sponsor: Congressman Brian Donnelly

The legislation would allow homeowners some water and sewer rate relief by allowing a deduction from federal income taxes for water and sewer service.

Areas Which Must Be Addressed To Reduce Costs

Scheduling

The Advisory Board strongly believes that phasing the projects over a longer time frame will allow the MWRA to revisit the scheduling of all court-ordered projects, with an eye toward developing a cohesive implementation plan that balances environmental goals with fiscal realities. All of the MWRA's projects are scheduled to be completed, or well into construction, before the year 2000. To extend the horizon for the construction of certain projects, and to prioritize the projects according to those which would have the most immediate impact on the environment, would result in a more equitable balance.

Join With Other States to Obtain Funding and Influence Federal Regulations

The Governor should join with other states, struggling with similar issues, to obtain adequate funding for the implementation of the Safe Drinking Water and Clean Water Acts. Furthermore, continued pressure should be brought to bear on the Commonwealth's congressional delegation to ensure that the Boston Harbor cleanup is a priority in the 102nd Congress. ***It is imperative that, at a minimum, \$200 million a year be received from federal sources.*** In addition, federal regulations, including sludge disposal and another which requires that the MWRA's minor residuals landfill site possesses enough capacity to receive up to six months of dewatered sludge, are onerous requirements and should be reviewed immediately.

Deductions From State and Federal Taxes

An alternative to direct state and federal subsidies would be to create a tax deduction for water and sewer users. This would allow some ratepayers to deduct their water and sewer bills from their annual tax returns.

Regulation

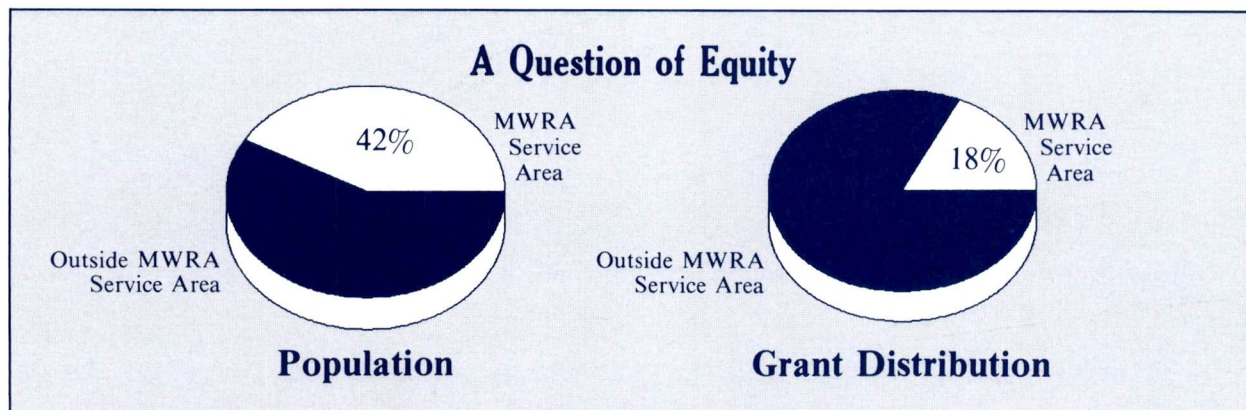
Regulations are often promulgated and frequently amended. Those responsible for the regulation must concern themselves with the financial ramifications of their alterations. Many of the Commonwealth's regulations, rather than helping to relieve the enormous costs facing ratepayers, move in the opposite direction and add to the burden. The Advisory Board believes that the Governor and General Court should review the following regulations:

Department of Environmental Protection Fees

The DEP will soon issue a new set of regulations (310 CMR 4.00, Timely Action and Fee Provisions), which will set forth a system of fees and charges for a variety of DEP permit, compliance monitoring and enforcement activities. The new DEP fees will have a substantial budget impact on the MWRA's capital projects as the DEP's fee package is estimated to cost approximately \$1 million a year. The MWRA should receive a waiver from any permitting fees until such time that the Commonwealth fulfills its share of the construction grants program or reduces the outstanding balance that it currently owes to ratepayers.

Land Application of Treated Sludge

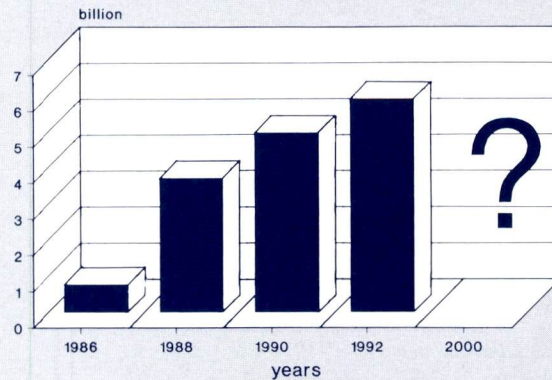
Massachusetts regulations are among the strictest in the country, and are more severe than those being imposed by the federal government in its revisions of national regulations. Yet sludge products from other states, such as Milwaukee's Milorganite, which far exceed the Commonwealth's regulated levels of metals and other substances, are being marketed here. Under existing Massachusetts' regulation the MWRA will be unable to sell its product within this state;



Future Areas Which Could Substantially Increase Rates

Increasing Capital Costs

*Total capital spending as estimated in the budget for these years in current day dollars.



Combined Sewer Overflows (CSOs)

There are 86 combined sewers which collect both sewage and stormwater runoff for wastewater treatment. Many of these sewers become overloaded and during rainstorms discharge at 86 overflow points directly into Boston Harbor and other nearby rivers. A \$1.22 billion Facilities Plan has been recommended by the MWRA to address the CSO problem; however, a number of unaddressed issues exist which could further increase costs. The first concerns the scheduling of the CSO Plan relative to other major construction projects such as the complex Deer Island project. Still more questions surround what the new state water quality standards will be and when they will be promulgated. If new standards are introduced, they may affect the level of CSO capture that is required. If, for example, the number of allowable overflows is five, instead of the four presented in the Plan, ***an estimated \$66 million could be saved for the ratepayers.*** There are also unanswered questions about the nature and causes of harbor pollution, and who will be responsible for controlling other non-MWRA sources of pollution—notably storm-water runoffs—that end up in the harbor and will continue to pollute even if every overflow is captured. Finally, the Plan appears to underestimate the disposal costs for tunnel excavate.

Safe Drinking Water Act: Watershed Management and Filtration

Watershed management must include a balance between the long term quality of the water supply and the economic concerns of ratepayers. New federal regulations mandate that all drinking water goes through a filtration system, unless it can be proven the water meets stringent standards

of purity and the watershed is adequately protected. ***If the water supply system requires filtration it will cost between \$375 million and \$1 billion to build a plant. In addition, the annual operating cost of a water filtration plant would be in the range of \$13 million to \$17 million.***

The MWRA must continue to work toward compliance with the Safe Drinking Water Act. Although the Authority has been developing watershed management plans in the expectation that strict watershed protection measures might serve as an alternative to costly filtration plants, more recent and more exact tests now show that the Authority cannot meet Safe Drinking Water Act and the DEP's standards without some form of filtration. The Advisory Board believes that watershed protection measures have the advantage of being less costly than filtration plants and have the additional benefits of open space preservation and recreation. However, if filtration is unavoidable, then a modified watershed protection effort together with the required filtration facilities may be sufficient to meet Safe Drinking Water Act requirements. Furthermore, it is imperative, due to limited dollars, that the scheduling of a plan which incorporates both filtration and watershed protection balances environmental goals with today's fiscal realities.

The ability of the MDC to adequately maintain the watersheds must also be reviewed. Current budgetary constraints have curtailed the MDC's ability to protect the watersheds, despite the fact that the MWRA's contribution has risen from 50 percent to 75 percent. ***The Advisory Board should be statutorily empowered to examine and make recommendations on the MDC's watershed budget in the same manner that the MWRA budget is reviewed by the Advisory Board.***

Environmental Realism

The Advisory Board supports the goals of a cleaner harbor, safe drinking water, and sound infrastructure and recognizes that cooperation between all parties involved is essential to make these goals achievable and affordable. The commitments of the State and Federal governments to these goals should end only when the needs end. The Commonwealth, and the entire New England Region, have a common interest in the Boston Harbor. The Harbor is one of the areas greatest natural resources and has always served the people and the economy well, and its restoration is crucial for the region.

The Commonwealth also has a vital interest in these goals, and the Governor and General Court must become more actively involved in addressing the need for outside funding to help pay for the MWRA's projects. The price tag for these projects, and the numerous needed improvements to local water and sewer networks, will be so great that the ratepayers may be unable to bear the full burden in such a short span of time. A "ratepayer revolt" is not out of the question in light of the fact that by the year 2000, the combined bill for water and sewer service is estimated to be \$1,450 for a typical 4-person household. Taking into consideration the financial desertion of the state and federal governments, the MWRA will have to raise rates 300% before the end of this decade. The Commonwealth must commit funds and actively seek federal dollars to directly offset the inordinate burden which has been shifted to ratepayers. Such funds are more than justified, not only by the statewide benefits the MWRA's efforts will realize, but also by the unbalanced past distribution of state funds.

The State also has a role in the regulatory arena; however, many of the Commonwealth's regulations, rather than helping to relieve the enormous cost facing MWRA ratepayers, move in the opposite direction and add to the burden. Furthermore, the State has consistently added to the costs of the project by reneging on its fiscal commitments, as illustrated by the construction of the Clinton Wastewater Treatment Plant, for which the State has yet to pay its fair share.

The MWRA Advisory Board stands ready to take on the challenges of this new decade. The Advisory Board, since its establishment five years ago, has been a vigilant advocate for the ratepayers and has been successful in substantially reducing costs. The Advisory Board looks to the Legislature in hopes of working together to effect positive change. This report is the first step, and serves as an introduction to many of the issues impacting the MWRA and your constituents. The Advisory Board invites you to stand with us to protect the environment, and the ratepayer, by distributing the financial burden fairly.

Advisory Board Agenda '91

- **Review CIP/CEB budgets**
- **Review MWRA policies and monitor programs to ensure fiscal efficiency**
- **Address MWRA's mitigation policy**
- **Chapter 21E sites**
- **Assess costs associated with Mass. Historical Society**

Please contact the Advisory Board with questions, comments, and requests for additional information.

MWRA Advisory Board

11 Beacon Street
Suite 1010
Boston, MA 02108
(617) 742-7561

THE WHITE HOUSE

2.25.91

Marty -

Thank you for your most recent FAX. I have shared your thought with others here. Keep in touch.

Andy Card

THE WHITE HOUSE
WASHINGTON

Honorable Martin Feldstein
President and Chief Executive Officer
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1050 Massachusetts Avenue
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NATIONAL BUREAU OF ECONOMIC RESEARCH, INC.

1050 MASSACHUSETTS AVENUE, CAMBRIDGE, MASSACHUSETTS 02138 5300 TEL: (617) 852-3900 FAX: (617) 852-7194

AC HAS SEEN

MARTIN FELDSTEIN

President and
Chief Executive Officer

February 11, 1991

Mr. Andrew H. Card, Jr.
Assistant to the President
and Deputy to the Chief of Staff
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

VIA FAX: 202/456-2397

Dear Andy:

I am enclosing a memo on an "operating business" approach to measuring bank capital and judging bank solvency that develops the idea that I discussed with you last month. I think it is better than the notion being developed by the Treasury for reasons discussed briefly in the memo.

I'm also sending a copy of a recent Wall Street Journal piece that discusses the idea of a Fed discount window facility for commercial loans.

Both of these ideas could be very helpful to New England and to any other area where banks are reluctant to lend as well as helpful in dealing with the general FDIC problem.

Let me know if you want to discuss any of this.

Sincerely,



Martin Feldstein

MF:ktz
enclosures (2)

February 11, 1991

**AN "OPERATING BUSINESS" APPROACH TO THE VALUE OF
BANK CAPITAL AND THE STANDARD OF BANK SOLVENCY**

Martin Feldstein

The evaluation of a bank's assets and the decision to declare a bank insolvent are ultimately matters of regulatory judgement. This memo suggests an alternative to the current approach (based on the immediate liquidation values of real estate) and to the proposed approach based on "projected normal" values of such assets.

The first part of the memo discusses the "operating business" approach that I think is preferable to the two alternatives. Part two discusses the risk of using the "projected normal value" approach.

1. The "Operating Business" Value of a Bank

The total assets of a bank are more than its portfolio of loans and securities and of real estate acquired through foreclosure. The assets of the bank also include all of the components of the bank as an operating business that will produce future profits: a branch network that can generate stable deposits at interest rates below those on commercial paper; a credit card portfolio that earns a higher net rate of interest than other bank assets; a corporate client base and seasoned loan officers that permit the bank to generate profitable commercial loans; a mortgage origination staff that can generate new single-family loans; etc..

In general, a bank could sell all or part of any of these "profit centers" to other banks. Credit card portfolios have been sold by major banks to raise capital. Banks regularly sell the mortgages that they originate into a secondary market for a price that reflects the higher yield on mortgages than on other assets. Banks can and do sell branches that provide a stable source of low-interest deposits to other banks that want to expand in a particular market or simply to substitute lower cost deposits for higher cost sources of funds.¹

These "hidden" assets should be recognized in assessing the solvency of a bank and in measuring its capital. The most direct way to do that would be to add the market value of these "operating business" assets to the value of the portfolio assets and liabilities. Alternatively, instead of valuing each piece of the operating business separately, the aggregate value of these profit centers could be calculated as the present value of the operating profits of the bank: net interest income (adjusted for normal annual loan losses) plus fee income minus administrative and other expenses.

1.1 Minimizing the FDIC's Costs

Under current practice, a bank is declared insolvent and closed when the value of the current portfolio assets (with real estate and real-estate-backed assets at liquidation value) is less than the face value of the liabilities. This approach is likely to result in a higher overall cost to the FDIC in protecting depositors than an approach based on the value of the bank as an operating business.

From the FDIC's point of view, it would clearly be better to keep a bank open and making profits if the present value of the future retained earnings definitely exceeded the gap between the bank's current liabilities and its assets judged on a liquidation basis. In that case, the bank would never have to be closed and there would be no cost to the FDIC fund.

The present value of the future earnings of the bank (and therefore of the potential retained earnings if the regulators limit dividend payouts) is reflected in the market values of each of the profit centers or, in the aggregate, by the present value of net operating income.²

In practice, of course, the future profits of the bank are uncertain. The "Operating Business" approach to bank solvency would close a bank only if the FDIC's payout if the bank were closed immediately is less than the "expected" FDIC payout if the bank is allowed to continue operating. That "expected" payout by the FDIC is in effect a weighted average of the different possible payouts that the FDIC may be called upon to make: a zero payout weighted by the probability that the bank will not have to be closed in the future and positive payouts of different amounts that would have to be paid if the bank were later closed, each weighted by an estimate of the probability of that amount of loss.

It is clear that assessing the probability that the operating business would eventually succeed and the probabilities that it would fail with different costs to the FDIC is a matter of regulatory judgement. Each institution would have to be considered on an individual basis. The key point of the "operating business" approach is to shift the focus from the current portfolio of assets and liabilities to include also the broader value of the bank as a going business.

1.2 Further Considerations

Adverse effects of bank failures.

Focusing exclusively on the expected costs to the FDIC may be too stringent a standard of bank solvency because it gives no independent weight to the consequences of bank failures for the national economy. Although it is widely agreed that the number of

banks should be reduced, the merger of operating banks is preferable to bank closures, especially in the current weak economy.

The act of closing a bank can cause the executives and loan officers of other banks to be unduly cautious in making loans, contributing to the lack of credit in the economy. And even when a failed bank is restructured under new ownership, shifting assets and lending relations to a new organization may cause disruptions with adverse economic consequences. One measure of this is that the assets of failed institutions are believed by the FDIC to lose significant value when they are sold.

Assessing capital for regulatory purposes.

The "Operating Business" approach might be used not only for solvency decisions but also to evaluate the capital of the bank for regulatory purposes by including the value of the operating businesses as well as the values of portfolio assets and liabilities in calculating the capital that must be maintained under the Basel accord.

Difference from experience with the thrifts.

Critics of the "Operating Business" approach can point to the mistake that was made when thrift institutions were allowed to continue to operate in the hope that they would "grow their way out" of their existing problems. But while there are clear lessons in the thrift experience for dealing with the problems of the banks, the proposed "operating business" approach for assessing bank solvency and capital is quite different from the way that the thrifts were treated.

Thrifts were permitted to stay open that could not earn enough in their current activities and with their current size portfolio to outweigh their existing capital deficiencies. The Congress and the regulators permitted these insolvent thrifts to grow rapidly and to undertake new kinds of lending with higher rates of return in the hope that the expanded income would eventually outweigh the existing capital deficiencies. Thrifts expanded into activities that they did not understand and took great risks in order to increase their rates of interest. Very rapid growth was not only permitted but encouraged.

In contrast, the Operating Business approach to bank solvency would look only at the earnings that could be achieved without expanding the bank's size or venturing into different kinds of activities. A condition of continued operation might be intensive supervision and restrictions on dividends to permit a more rapid accumulation of retained earnings.

Similarity to LDC debt experience.

The proposed "Operating Business" approach is similar to what in retrospect was done with the money center banks that held large amounts of LDC debt in the early 1980s. When the debt crisis began in the fall of 1982, the major money center banks in the United States had LDC loans with a book value equal to nearly three times their capital. A requirement that the banks immediately write-off a substantial fraction of that debt would have made the banks insolvent. Instead, the banks were not required to write the loans down immediately (on the accounting principle that they would be held to maturity) but were pressured by the regulators to increase their capital through retained earnings and new equity issues and, over time, to accumulate reserves and eventually to write-off some of the debt. Although at the time the government's handling of the LDC debt problems of the banks may not have been conceived of explicitly as an "Operating Business" approach to judging solvency, in retrospect it appears to have been a successful application of that principle.

2. The Proposed "Projected Normal Value" Approach

An alternative approach that is being advocated is to use projected future "normal" or "equilibrium" values of real estate for calculating the value of Other Real Estate Owned and of Commercial Mortgages.

The advocates of this approach argue that real estate values in many areas of the country are below their long-run levels. Overbuilding during the past decade and sudden changes in local economic conditions have produced high vacancy rates and low rents, both of which are reflected in very low market values for commercial property and multifamily residential property. As substantial amounts of property are foreclosed and offered for sale, market values fall sharply. Current market values are frequently below the current cost of construction.

With the market values so depressed, no new building will occur. Eventually, the lack of new building creates a better balance of supply and demand for offices and apartments. With the passage of time, the local economy can be expected to recover, adding further demand for space. The result will be higher occupancy rates and rising rental values. The likely pace of general price inflation will probably raise the overall price level by twenty percent over the next half dozen years and this too will be reflected in nominal rents. The higher occupancy rates and increased rents will significantly raise the future market value of the real estate.

It is proposed therefore to ignore current market liquidation value and use instead an estimate of real estate values in (say) five years or even ten years based on the expectation that by then real estate values will have returned to an "equilibrium" or normal level (defined as the price of real estate at which new construction would begin.)

Using such an estimate of future real estate values to measure banks assets and capital would reduce significantly the number of banks that would otherwise be declared insolvent during the coming year and would leave many banks with substantially more capital than they would have under the current liquidation value approach. There would be fewer immediate bank closings (and FDIC payoffs) and more banks capable of expanding their lending.

But there is a serious danger in using such a "projected normal value" approach to value assets and to judge solvency. Although the future value of a building may eventually be adequate collateral for the current value of the loan and the future rents may be able to meet the this year's interest payments, the long delay before that occurs could require either an insupportable increase in the size of the loan or explicit write-offs by the bank that leave the bank incapable of financing its own liabilities.

Consider first the possibility of additional bank lending to the troubled mortgage borrower. If the current rents do not permit the borrower to pay the full interest on the loan, the bank may increase the loan principal by the amount of the unpaid interest. By the time that the property returns to "normal" or "equilibrium" value, the size of the loan may exceed that value and be too great to be supported by the level of rents.

Alternatively, if the bank reduces the interest that it charges until the property has regained its "normal" value, the bank may find that it has foregone so much interest income that it cannot finance its own interest obligations.

In either case, the FDIC may eventually be called upon to pay to the insured depositors the difference between the value of their deposits and the market value of the bank's net assets.

The "Operating Business" approach, by contrast, would value real estate at its current market value but would give proper recognition to the market value and earnings capability of the bank as an operating business.

1. When a bank buys a billion dollars of such deposits from another bank it accepts the one billion dollars of liabilities with a payment of less than one billion dollars from the selling bank. The difference represents the present value of the interest savings associated with raising money through deposits relative to the higher cost of other sources of funds.
2. This value is less than the stock market value of the bank's equity since that implicitly includes the value of the "option" to "put" the net liabilities of the bank to the FDIC. A simple operational approach might nevertheless be to use the stock market value as a measure of the equity capital and to require a somewhat higher capital ratio than under current rules.

THE WALL STREET JOURNAL

Wednesday, February 6, 1991

How the Fed Can Ease the Credit Crunch

By MARTIN FELDSTEIN

There is widespread fear that the current economic downturn will be deeper and longer than necessary because of a "credit crunch"—an inability or unwillingness of commercial banks to make loans to credit-worthy borrowers. When banks curtail their lending in this way, many businesses must cut inventory building, equipment purchases and new hires. Such cutbacks start a cumulative contraction that hurts even larger businesses with direct access to the capital markets. Finding ways to permit or to encourage banks to resume commercial lending may therefore be a vital step in assuring a rapid turnaround of the present economic decline.

Although banks are always more cautious when the economy is weak and the future is uncertain, the situation is worse now because of recent changes in bank capital requirements. Long before the current downturn, the central banks of the major industrial countries agreed to set uniform minimum standards for bank capital. They hoped to make commercial banks more prudent by increasing the capital they had at risk and to create a level playing field for banks engaged in international competition by imposing a uniform capital standard of about 8% of total assets, and 8% of a "risk-based" weighted measure of assets.

Capital Needed

Under this risk-based measure, ordinary commercial loans are given full weight while single-family mortgages are given a weight of one-half and government bonds are not counted at all. Thus a bank needs \$6 of capital per \$100 of commercial loans, but only \$4 of capital per \$100 of home mortgage loans and no capital for government bonds. (The actual rules, like everything in Washington, are more complicated.)

A bank that has more than enough capital to meet both these requirements can make new loans whenever a creditworthy borrower requests a loan. The bank can obtain the additional funds with which to finance that lending by selling more large certificates of deposit, by borrowing in the interbank federal funds market or by raising its interest rates on small deposits to attract more funds. Or it can sell government securities from its portfolio and use the proceeds to finance new loans.

In contrast, a bank that has only enough equity capital to support its current level of lending cannot simply raise additional deposits to finance new lending. And if the bank's total capital equals only 8% of the risk-based measure of its assets, it cannot sell government securities to finance new loans since government securities do not require any risk-based capital while the loans require an 8% provision of capital.

Over the long term a healthy bank can

raise additional equity capital through retained earnings or by issuing new shares. But in the current financial environment, new equity issues by banks are impossible and retained earnings add to capital only very slowly. In addition, regulators are forcing many banks to reduce the accounting value of their capital by writing off troubled loans or increasing reserves for future problems.

A bank without sufficient capital can be closed by the regulators as insolvent, can be put under strict regulatory control that limits dividends and other actions, and can

present time and then to phase-in the full requirements over several years. A time of economic decline with massive real estate write-downs is certainly the wrong environment for tightening bank capital requirements. And American banks would be better able to adjust to uniform international capital standards after Congress adopts some of the changes in bank rules that the administration is now proposing.

If capital standards are to be temporarily relaxed, it would be good to strike a new international agreement, so that American action to reduce capital require-

ments as banks now do that originate single-family mortgages and sell them to Ginnie Mae but would pay most of that interest in the Federal Reserve as a discount in the initial sale. The interest rate charged by the Federal Reserve should be slightly above the Fed funds rate so that banks would not use this Commercial Loan Facility as a low-cost source of funds but only as a means of lending when they lacked the capital to add loans to their own portfolio. The difference between the interest rate charged to the corporate borrower and the rate paid by the bank to the Fed would cover administrative costs and provide a profit incentive for extra lending.

The Commercial Loan Facility at the Federal Reserve should accept only high-quality loans with very little risk of default. To decide which loans were acceptable the Fed would not have to do a full credit analysis of each prospective loan. Instead, loans might be qualified for sale to the Fed in any of several ways. Bank loans to corporate borrowers with an investment grade commercial paper rating might automatically qualify. Loans of other corporate borrowers might be accepted only if the originating bank kept a portion of the loan, perhaps dividing the loan into a senior and junior portion and keeping the junior portion. This would of course require the bank to have capital for a portion of the loan but that would still permit an overall expansion of lending.

Expand Lending

Alternatively, the commercial banks could sell the loan to the Federal Reserve with recourse in case of default so that the Federal Reserve had no risk of default. Loans sold with recourse would require some bank capital but less than if the loan were kept by the originating bank. Even this capital requirement might be avoided if the originating bank purchased private insurance against the risk of default. There are, in short, many ways to protect the Federal Reserve while permitting the commercial banks to expand their lending with the existing level of capital.

A Commercial Loan Facility at each regional Federal Reserve Bank would provide a strong signal of government policy and a powerful incentive to the commercial banks to expand their commercial lending. Such a Commercial Loan Facility would not be a substitute for a more expansionary monetary policy, for a more balanced approach to bank credit supervision or for fundamental legislative reform of commercial banking. But it could help to turn around the economy and to permit a less disruptive gradual adjustment in the new capital standards.

Mr. Feldstein, former chairman of the President's Council of Economic Advisors, is a professor of economics at Harvard.

Board of Contributors

The Federal Reserve should use its discount window to buy high-quality commercial loans from healthy banks that are constrained by the availability of capital.

be forced to discharge the existing senior management. The desire to avoid any of these consequences certainly provides a strong incentive to banks' managements to limit the size of their lending. In practice banks therefore do not even lend the maximum that their capital would allow.

Even banks with excess capital are also reluctant to make additional loans because they fear that minor loan losses or increases in loan reserves could cut their capital below the minimum required amount. Indeed, many banks are scaling down their activities by restricting loans, reducing deposits and substituting government bonds and single-family mortgages for commercial and industrial loans that require more risk-based capital.

Some key Federal Reserve officials argue that the unwillingness of the banks to lend has prevented an expansion of the money supply during the past six months. I disagree. I believe that an expansion of the money supply could have (and should have) been achieved by additional open market purchases of government bonds and by the resulting greater declines in interest rates. But even if the Fed now succeeds in raising the total money supply, the capital requirements could still leave many individual banks and significant sections of the country with substantial credit limits. For a small or medium-size business that has close links to a single bank, the inability to get a loan from that bank may mean the inability to get any credit at all. And a region like New England could see lending stagnate because of tight capital constraints even if aggressive open market operations by the Fed increase lending in other parts of the country.

One approach to this problem would be to reduce the capital standards for the

ments does not raise doubts about the creditworthiness of the American banks. Fortunately, there is also an alternative way to increase bank lending to qualified borrowers without reducing the banks' capital requirements.

The Federal Reserve should use its discount window to buy high-quality commercial and industrial loans from healthy commercial banks that are constrained by the availability of capital. The Fed's current policy is to lend to commercial banks only on a very short-term overnight basis and generally only against the collateral of U.S. government securities, unless the borrower is deemed to be in such distress that the Fed must lend against any kind of security that the bank can offer.

The Fed's current policy can help a bank that is having difficulty amassing deposits but it does nothing to permit a bank that is constrained by the amount of its capital from making a corporate loan. But if the Fed expands the types of assets that it accepts from banks to include commercial loans, a bank that was otherwise reluctant to lend could do so whenever it knew that its prospective loan could be sold or "discounted" to its regional Federal Reserve bank. (For technical reasons, in order to avoid a capital requirement on the loan, the commercial bank would probably have to sell the loan to the Federal Reserve rather than use it as collateral to borrow from the Fed.) If banks knew that they could turn to the Federal Reserve when called upon by longstanding clients or by those with contractual lines of credit, they might be willing to use their existing capital more fully to make loans to qualified borrowers.

After selling the loan to the Federal Reserve, the commercial bank would continue to collect the interest on the loan

THE WHITE HOUSE

2-23-91

Dear Bill —

Thank you for your note on
behalf of Calvia Grey Wheatley. I will
check with the appropriate people here.

Keep in touch.

Sincerely,
Andy Card

Andrew H. Card
THE WHITE HOUSE
WASHINGTON

Mr. T. William Fitzgerald, Jr.
President & C.E.O.
Liberty Bank & Trust Company
7 School Street
Boston, Massachusetts
02108-4397

THE WHITE HOUSE
WASHINGTON

Date: February 25, 1991

TO: Ron Kaufman

FROM: ANDY CARD

- ☒ Action, as appropriate
- ☐ Your Comment
- ☐ Let's Talk
- ☐ FYI



AC HAS SEEN

Liberty Bank and Trust Company

To: Ron Kayman.
Andy

T. WILLIAM FITZGERALD, JR., C.C.L.
President and Chief Executive Officer

February 4, 1991

Mr. Andy Card
Deputy Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, D.C. 20500

Dear Andy:

Your life must be so exciting these days that you have absolutely no regrets not being the Governor of the Commonwealth as I wanted you to do.

One Calvin Grey Wheatley is presently a Division Superintendent at the Small Business Administration here in Boston. He has been there for approximately 20 years. He is one super individual, bright, hard working, dedicated and beaming with integrity.

I am enclosing herein a copy of the front page of his application for the office of District Director of the SBA here in Boston. Any assistance that you can give me will be greatly appreciated and you'll have one of the finest District Director's of the SBA that you can ever have.

Keep up the good work. We are very proud of you.

Sincerely,

T. William Fitzgerald, Jr.
President and C. E. O.

TWF/djb
Enclosure

Withdrawal/Redaction Sheet

(George Bush Library)

Document No. and Type	Subject/Title of Document	Date	Restriction	Class.
02. Form	Application for Federal Employment (SF-71), Re: Kelvin Gray Wheatley. (1 pp.)	n.d.	(b)(6)	

Collection:

Record Group: Bush Presidential Records
Office: Chief of Staff, Office of the
Series: Card, Andrew H., Jr., Files
Subseries:
WHORM Cat.:
File Location: Correspondence--F [3]

Date Closed: 3/25/2025 **OA/ID Number:** 04883-006c

FOIA/SYS Case #: 2025-0373-S

Re-review Case #:

P-2/P-5 Review Case #:

AR Case #:

AR Disposition:

AR Disposition Date:

Appeal Case #:

Appeal Disposition:

Disposition Date:

MR Case #:

MR Disposition:

MR Disposition Date:

RESTRICTION CODES

Freedom of Information Act (FOIA) - [5 U.S.C. 552(b)]

(b)(1) National security classified information
(b)(2) Release would disclose internal personnel rules and practices of an agency
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(b)(4) Release would disclose trade secrets or confidential or financial information
(b)(6) Release would constitute a clearly unwarranted invasion of personal privacy
(b)(7) Release would disclose information compiled for law enforcement purposes
(b)(8) Release would disclose information concerning the regulation of financial institutions
(b)(9) Release would disclose geological or geophysical information concerning wells

Deed of Gift Restrictions

C(1) Closed by Executive Order 13526, governing access to national security information
C(2) Closed by statute or by the agency which originated the information
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PRM. Removed as a personal record misfile

Presidential Records Act - [44 U.S.C. 2204(a)]

P-2 Relating to the appointment to Federal office [(a)(2) of the PRA]
P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]

THE WHITE HOUSE

2-25-91

Dear Joseph -

Thank you for your note
of February 20th.

Keep in touch.

Sincerely,
Andy Card

Andy Card
THE WHITE HOUSE
WASHINGTON

Mr. Joseph S. Franciose
77 East Street
Methuen, Massachusetts
01844

AC HAS SEEN

February 20 1891

(508) 688-5820

Dear Andy.

I was pleased to hear from you. Yes, you are so right to say that the swearing in of Governor Wadsworth & Cullucis brings new hope to Massachusetts.

I am sure, the republicans can prevent many industries from leaving Massachusetts.

Perhaps it would be impossible to reduce taxes levied by previous administration; but republicans generally administer conservative spending, automatically keep taxes down.

I have had a proposal which could generate approximately ten or fifteen million dollars at no cost to the tax payers.

I hope Andy, I can soon talk to the Governor and Cullucis about this. It is also very important to the general public's safety

over

I talk with Bob Boldberg, he
is fine.

Andy, perhaps on your next
visit to Massachusetts we
can all meet for lunch.

(Martinez, Boldberg and me.)

Sincerely,

Joseph.

note

my previous superior was
Late Senator Fred LAMSON
while I was State Coordinator:
He is missed by ALL.

THE WHITE HOUSE Feb. 27, 1991

Dear Barney-

Thank you for your note and for the photo which generated a flood of memories. That softball team was a motley crew!

Nick Calio said his meeting with you yesterday went well. - Keep in touch.

Sincerely, Andy

A. Card
THE WHITE HOUSE
WASHINGTON

The Honorable
Barney Frank
Member of Congress
House of Representatives
Washington, D.C. 20515

THE WHITE HOUSE

1-18-91

Dear Dave -

Thank you for your letter, interest and understanding.

I will make sure the appropriate people here are aware of your "very strong interest." I will also make sure they know of my enthusiastic endorsement.

Keep in touch. - I will!

Sincerely, Andy Card

THE WHITE HOUSE
WASHINGTON

Honorable Dave Frohnmayer
Attorney General of Oregon
2875 Baker Boulevard
Eugene, Oregon 97403

THE WHITE HOUSE
WASHINGTON

Date: 1-18-91

FOR: *Boyd Leray*

FROM: ANDREW H. CARD, Jr. *Andy*

- ☒ Action, *as appropriate*
- ☐ Your Comment
- ☒ Let's Talk
- ☐ FYI

AC HAS SEEN

DAVE FROHNMAYER
Attorney General of Oregon
2875 Baker Blvd.
Eugene, Oregon 97403

January 15, 1991

Dear Andy:

I know your mind is on many things these days. Nonetheless, I deeply appreciate your willingness to consider my very strong interest in the 9th Circuit vacancy.

As you requested, I enclose an updated vita. It is weighted exclusively to professional considerations. If I should recast it, or if you wish other information, please let me know. (I have provided this vita to Senators Hatfield and Packwood who were kind enough jointly to recommend my name to the Attorney General).

All best wishes, Andy. I hope you can help. In the meantime, our thoughts are with you, your colleagues and the President as you confront momentous decisions.

Warmest regards,

Dave

THE WHITE HOUSE

1-5-91

Dear Breda -

Thank you for your December letter and Christmas Card. I hope you had a wonderful Holiday.

I thank you, too, for your appreciation of the President's efforts to resolve the Gulf crisis. There is no other person I would rather have in the Oval Office right now.

Happy 1991. Please keep in touch.

Sincerely, Andy Card

Andrew H. Card
THE WHITE HOUSE
WASHINGTON

Ms. Breda Fitzgerald de Courcy
631 Louis Street
Hyannis, Massachusetts
02601

B. FitzGerald de Courcy

63a Louis Street
Hyannis, MA 02601

(508) 771-6985 unlisted

AC HAS SEEN

Mr. Andrew H. Card, Jr.
Assistant to the President
The White House
Washington, D.C. 20005

December 19, 1990

Dear Mr. Card,

attached
Just a few lines to convey seasons greetings and to thank you for your letter of November 8th regarding the President's visit to Mashpee in November.

As you did not have my number you were unable to reach me in time but your effort and letter were very much appreciated. Perhaps someday we will have another opportunity to meet our President.

We are all hoping for a peacefull solution to the Gulf Crisis. However, we are very fortunate in having a President so well versed and experienced in International Affairs (also of great intrest to me having studied and lived in Europe almost 18 years). I have great faith in his diplomatic abilities.

Once again, thank you for effort in behalf of myself and young son (16 years) and for your very nice and concerned letter.

May 1991 bring you and your family good fortune. Take care.

Yours Sincerely

Breda FitzGerald de Courcy
Breda FitzGerald de Courcy

PC
ENCLOSURE: Christmas Card

THE WHITE HOUSE

WASHINGTON

November 8, 1990

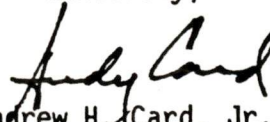
Dear Breda,

Your letter didn't arrive until late afternoon on October 31, so my assistant tried to call you to give you information about President Bush's visit to Mashpee. Since your number is unlisted, we were unable to reach you.

The President received a wonderful welcome in Mashpee, and I hope you were able to attend the rally. I wish I could have been helpful.

Thank you for writing, and thank you for your support of our President. Keep in touch.

Sincerely,



Andrew H. Card, Jr.
Assistant to the President
and Deputy to the Chief of Staff

Ms. Breda FitzGerald de Courcy
63a Louis Street
Hyannis, Massachusetts 02601

THE WHITE HOUSE January 5, 1991

Dear Joseph -

It was good to see you at the State House this past Thursday. January 3rd was a great day for Massachusetts. When Bill Weld and Paul Cellucci were sworn into office, hope and optimism returned to the Bay State.

Best wishes for the new year.

Sincerely,
Andy Card

P.S. Say hi to Bob

Andrew H. Card, Jr.
THE WHITE HOUSE
WASHINGTON

Mr. Joseph S. Franciosa
77 East Street
Methuen, Massachusetts
01844

October 02, 1990

Mr. Andrew Card
Assistant to The President
The White House
Washington, D.C. 20500

Dear Mr. Card, *Andy*

I am writing this letter to you because of the immediate need of assistance.

A personal friend of mine, Mr. Bernard Moran, recently visited his cousins, the O'Boyle Family, in Ballina, County Mayo, Ireland.

He was treated so great by his relatives that he purchased a round trip ticket for their eldest son Kevin O'Boyle, to visit Boston for three (3) weeks (10/07/90 - 10/27/90). Kevin was told everything would be ok.

After the tickets were purchased Kevin was called by the American Embassy in Dublin and notified that his Holiday Visa had been denied because he has no ties in Ireland.

Kevin is, as I said, the eldest son, he works on the family farm, holds two (2) jobs and is engaged to be married.

Mr. Moran is willing to sign any forms necessary to insure Kevins return to Ireland.

Andy, I am hoping your assistance in this matter will solve the problem and I have enclosed copies of letters received from the O'Boyles and also verification of tickets purchased.

I would not write you except that time is running out. I know a call from the White House to Dublin will solve this problem. Thanks for your assistance.

Your former colleague

Dick
Dick Finnigan
16 Playstead Rd.
Dorchester, Ma. 02125

DFF/bj

THANK YOU FOR MAKING YOUR TRAVEL ARRANGEMENTS THROUGH TRAVEL WORLD, INC.
HERE ARE SOME HINTS TO MAKE YOUR TRIP MORE PLEASANT

1. CHECK IN AT LEAST 45 MINUTES PRIOR TO DOMESTIC FLIGHTS AND 90 MINUTES PRIOR TO INTERNATIONAL FLIGHTS.
2. ALL TIMES SHOWN ARE LOCAL TIME AS OBSERVED IN EACH CITY.
3. SPECIAL FARES INVOLVE CERTAIN TRAVEL RESTRICTIONS. ALWAYS CHECK WITH YOUR AGENT OR THE AIRLINE BEFORE MAKING ANY CHANGES, AS IT MAY RESULT IN HIGHER FARES.
4. SOME TICKETS ARE WRITTEN WELL IN ADVANCE OF DEPARTURE DATE. FREQUENTLY, SCHEDULE CHANGES TAKE PLACE AFTER TICKETS ARE WRITTEN. IT IS ALWAYS ADVISABLE TO VERIFY DEPARTURE TIMES AS YOUR JOURNEY PROCEEDS.
5. HOTEL RESERVATIONS ARE NORMALLY GUARANTEED. **BE SURE TO CANCEL (PRIOR TO 6:00 P.M.) IF YOUR TRAVEL PLANS CHANGE. THIS WILL AVOID A CHARGE FOR THE FIRST NIGHT'S LODGING.**



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WEYMOUTH, MA 02189
(617) 331-3500
(617) 331-4084

SALES PERSON: JM

ITINERARY/INVOICE NO. 0001752
QTTMSX

DATE: 10 SEP 90
PAGE: 01

TO: TRAVEL WORLD INC
136 HANCOCK ST.
BRAINTREE, MA. 02184

FOR: OBOYLE/KEVIN

07 OCT 90 - SUNDAY
AIR AER LINGUS
LV SHANNON
AR BOSTON

FLT:117 ECONOMY
1215P
135P

DINNER
EOP: BOEING 747
NON-STOP

26 OCT 90 - FRIDAY
AIR AER LINGUS
LV BOSTON

FLT:116 ECONOMY
725P

DINNER
EOP: BOEING 747

27 OCT 90 - SATURDAY
AR SHANNON

600A

NON-STOP

AIR TICKET EI7198695107

OBOYLE KEVIN

SUB TOTAL

TOTAL AMOUNT

THANK YOU FOR BOOKING WITH TRAVEL WORLD. JANET
A CANCELLATION/REVISION PENALTY APPLIES TO THIS TICKET
...THIS MEANS THAT IF YOU DECIDE TO CANCEL OR REVISE
YOUR RESERVATIONS AFTER YOUR TICKET HAS BEEN ISSUED,
THE AIRLINE WILL CHARGE A PERCENTAGE OF YOUR FARE.
THIS MAY VARY FROM 10 PERCENT TO ** FULL ** FARE.
...INSURANCE IS AVAILABLE...PLEASE FEEL FREE TO INQUIRE

THE WHITE HOUSE
WASHINGTON

Date: October 4, 1990

TO: Sally Kelley
FROM: **Linda Casey**
Personal Assistant
to the Chief of Staff
Deputy

Sally, for appropriate review.

Thanks.

June 20, 1991

Dear Dick-

Thank you for your letter informing me of your interest in serving on the Braintree Housing Authority. You would make an excellent member.

I will recommend that Governor Weld designate you as his appointee to the Authority. Please understand that I will not be doing this in my official capacity.

Andrew H. H. H.
THE WHITE HOUSE
WASHINGTON

Dick Fletcher
135 West Street
Braintree, Massachusetts
02184

but as a friend, political colleague and
one who cares deeply about Massachusetts.

Please give my greetings to Bill, Marge,
Jim (who I last saw at Wright's Bowling Center)
and other Braintree Republicans. I will
forever appreciate the encouragement
you've given me.

Keep in touch.

Sincerely,

Andy Card

Andrew H. Card Jr.
THE WHITE HOUSE
WASHINGTON

Dick Fletcher
135 West Street
Braintree, Massachusetts

02184

Rec'd
JUN 19 1991

135 West Street
Braintree, Massachusetts

11 June 1991

Mr. Andrew H Card, Jr.
Deputy Chief of Staff
The White House
Washington, D.C.

Dear Andy,

I am in the process of applying for appointment to the Braintree Housing Authority. I am writing to ask if you would be kind enough to send a note to Governor Weld supporting my application. I have attached a brief resume in case it would help.

I am applying at the request of three of the current members of the authority board, including Bill Dykstra. I have also discussed the matter with Marge Crispin and Jim Galvin and they have expressed willingness to support me. I know of no one else seeking the position at this point.

I trust that all is well with you and that you continue to enjoy the job.

Sincerely,

Bill Flett

ANDREW H. CARD, JR.
Washington, D.C. 20500

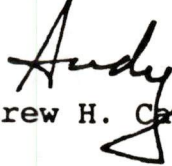
June 27, 1991

Dear Governor:

A loyal resident of Braintree, who has shown steadfast support for causes we believe in, has expressed an interest in being your appointee to the Braintree Housing Authority. His name is Albion R. Fletcher, Jr. -- known as Dick. I have enclosed his resume for your review.

I have known Dick since my earliest forays into the political arena and have worked with him on a number of community activities. He is honorable, diligent and respected. I am sure that you would find Dick to be a valuable ally on the Braintree Housing Authority.

Sincerely,



Andrew H. Card, Jr.

The Honorable William F. Weld
Governor of the Commonwealth
of Massachusetts
State House
Boston, Massachusetts 02133

ANDREW H. CARD, JR.
Washington, D.C. 20500

June 27, 1991

Dear Governor:

A loyal resident of Braintree, who has shown steadfast support for causes we believe in, has expressed an interest in being your appointee to the Braintree Housing Authority. His name is Albion R. Fletcher, Jr. -- known as Dick. I have enclosed his resume for your review.

I have known Dick since my earliest forays into the political arena and have worked with him on a number of community activities. He is honorable, diligent and respected. I am sure that you would find Dick to be a valuable ally on the Braintree Housing Authority.

Sincerely,

/s/

Andrew H. Card, Jr.

The Honorable William F. Weld
Governor of the Commonwealth
of Massachusetts
State House
Boston, Massachusetts 02133

Dick -
Good luck!
Andy

Resume of Albion R. Fletcher, Jr.
135 West Street
Braintree, MA 02184
(617)843-5864 (Home) (617)594-8866 (Office)

PROFESSIONAL:

General Electric Aircraft Engines, Lynn, MA 1973-5 & 1980 - present

Staff Engineer, Advanced Controls (1990 - present)

Responsible for setting up program for a Full Authority Digital Electronic Control for the T700 helicopter engine. Also consultant on control system design to GE Power Generation in Schenectady, NY.

Manager/Staff Engineer LV100 Controls.(1986- 1990)

Responsible for \$7 million program to design and implement advanced control and electrical power systems for the LV100 tank engine demonstrator. These systems contained a large number of innovative features new to the gas turbine engine industry. Project was completed successfully and follow-on contract recently obtained.

Manager, Advanced Controls Product Applications (1984-1986)

Manager, T64/JVX Controls (1983-1984)

Engineer (1973-75 & 1980 - 1983)

Education

S.M. in Management, Sloan School of Management, MIT (1979)

S.B. in Mechanical Engineering, MIT (1972)

Milton Academy (1962-68)

Community Involvement

Member/Chairman, Town of Braintree Solid Waste Advisory Committee (1983-1990)

Member and later chairman of committee with investigated operation of town incinerator, sold it to private industry, negotiated land leases, operating agreements with a number of innovative features, and purchase and sales agreement. Followed through until all approvals obtained and waste transfer station in operation. Also achieved closing of pre-existing town landfill and orderly cleanup of another unauthorized waste site. The result is a significant environmental improvement and a savings to the town of between \$1.5 to 2 million in annual waste disposal costs.

Member/Chairman, Town of Braintree Open Space Advisory Committee (1973-84)

Member and later chairman of a committee responsible for the setting aside of over seventy acres of land as open space.

Member, Town Government Study Committee

Key member of a committee responsible for looking at the various issues related to the restructuring of town government. Committee successfully implemented a consolidation of the town's Sewer and Water Departments

Elected Town Meeting Member, Town of Braintree (1973- present)

Political Involvement

Member, Braintree Republican Town Committee (1984 - present)
Delegate to all Republican State Conventions since 1974 (Weld/Ceillucci delegate 1990)

Miscellaneous:

Registered Professional Engineer in Massachusetts (Mechanical)
Member, American Society of Mechanical Engineers
Hold U.S. Patent #4,739,326