

MEMORANDUM

TO: Alan
FROM: Jay
DATE: January 2, 1987

CONFIDENTIAL

Welcome back from vacation. Here is a status report on a host of matters we need to discuss in greater detail as soon as time permits.

1. USCC: Attached is a memo I prepared for a meeting in December with Senator Kerry which as you know did not occur. I am currently scheduled to see Senator Kerry on Monday and will be sharing this memo with him at that time. I will be joining you this evening at the Library of Congress, but probably only for cocktails since the USCC has many more people than seats for the dinner.

2. THE SENATE DEBT: As of the end of 1986 the only outstanding debt is the \$350,000 loan from Deauville Savings & Loan. Other than the cost of direct mail, which we are continuing to incur, and some minimal overhead, all funds raised from here on will go toward paying off the loan. We are still expecting over \$100,000 in additional income from our first debt retirement letter, plus proceeds from the Super Bowl event and a second debt retirement letter which will be mailed the end of this month.

3. THE PAC: Thanks to your calls we have \$19,000 in the PAC account which will allow us to begin paying Priscilla's salary this month. Please review the attached preliminary budget. With regard to Darryl's position with the PAC, it seems from the job description he has prepared that almost all of his responsibilities could be handled on Senate payroll. This would have the added advantages of giving him a location to work from and avoiding confusion which is sure to arise re what your Senate office handles in California and what Darryl handles. I realize that arranging this within the Senate staff framework that currently exist in California won't be easy, but whether Darryl is on Senate or PAC payroll, areas of responsibility must be clear at the beginning or constituents are going to be confused and things are going to slip through the cracks. Finally, as you know I am anxious to keep the PAC's overhead as low as possible. With that in mind, I would not want to see the PAC add a California office to the three that your Senate operation already operates and I would like to see Darryl keep his expenses to \$1,000 a month.

3A. PAC CONTRIBUTIONS: I would like to get enough money in the PAC so that you can contribute an initial \$1,000 sometime in February to every Democratic incumbent up for re-election who you wish to support.

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4 SUPER BOWL EVENT: Florence is handling all logistics for this event. This means that she is the person who needs to know who the people are that she needs to talk with to obtain tickets. The proceeds from the event will be split 40% Senate debt, 40% Presidential debt and 20% for the PAC. Because no California team will be playing in the Super Bowl, I believe we must make arrangements to provide accommodations as part of the package which I have told Florence.

5 CASES/LEGISLATION: Now that we are back in the majority there are a number of individuals who have been very helpful to you who have cases or legislative matters pending with our office who will rightfully expect some kind of resolution. Following is a short list of ones you should be aware of:

--Rabbi Balkany: Apparently you told him that you would speak to Senator Byrd re his doing the invocation at the July 17th meeting of the Continental Congress in Philadelphia. Both Senators Spector and Heinz have sent recommendations on his behalf to Oale and Byrd. The decision will be made by Congress, not the celebration committee. Also, Rabbi Balkany wanted to know what has happened re the Chaplain of the Senate. I told him that you or I would get back to him on both of these matters this week.

--Michael Choppin: We are assisting him in getting a Customs Office located in the Long Beach World Trade Center.

--John Morse: Has a competitive bid on a project with the Navy which he is afraid will not be judged fairly. This bid is on an ongoing project which accounts for the majority of his company's business. He fears that Litton Industries will get this contract simply because they are a big company which has several other contracts with the Navy.

--Joe Kaempter: Has met with Gary A. Ridge re your bill to restrict height limits for area construction. He has a building in Rosslyn about to go in to construction which your bill would prevent him from completing. He has given legislative language to Gary which appears to meet his needs while not changing the thrust of your legislation.

--Charles Keating: Is continuing to have problems with the Bank Board and Co. Gray. Jim Grogan and the company's legal counsel, Bob Kleitz, are coming in to see you on Friday at 1:00 p.m. to get your advice on how to handle the current problem. In addition, Senator Glenn is arranging a dinner in the Capitol the night of the State of the Union for you, Senator DeConcini, Senator Proxmire, Charles Keating and himself. Jim will bring you up to date on where this stands.

6. THE DEMOCRATIC CONFERENCE: I have been in touch with Bob Mendelsohn and helped him prepare a memo which you should have received. I have some serious problems with the plan that Bob has laid out we need to discuss before this gets much further.

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