



**Kenneth L. Lay**  
*Chairman and  
Chief Executive Officer*

**Enron Corp.**  
*P. O. Box 1188  
Houston, TX 77251-1188  
713-853-6773  
Fax 713-853-5313  
Kenneth.Lay@enron.com*

December 22, 2000

Mr. Paul O'Neill  
[(b)(6)]

Dear Paul:

I am pleased that President-elect Bush has named you to be his Secretary of the Treasury. You will do an outstanding job in that position.

I and Enron stand ready to assist you in any way that we might be able to. In the meantime, I wish you and your family the best of the Christmas season.

Warm regards,

A handwritten signature in black ink, appearing to read "Ken", written in a cursive style.

Endless possibilities.™

**The Criteria entered:**

Tuesday, January 15, 2002

## Listing of Selected TADS Records

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Profile: 1999-SE-001971 Priority: N Classified: N  
From Name: Mead, Dana G.  
Title: Tenneco  
Constituent:  
To: Robert E. Rubin  
Title: Secretary  
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Closure Date: 04/13/1999  
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Subject: Invitation For The Secretary To Give The Principal Address At The Fourth Semi-Annual Meeting Of The Russian-American Business Leaders Forum, 5/15-16/99  
Abstract: Urges the Secretary to give the principal address at the fourth semi-annual meeting of the RAND-sponsored Russian-American Business Leaders Forum, New York, 5/15-16/99. (Also signed by Kenneth L. Lay, Enron Corporation; Paul H. O'Neill, Alcoa; John E. Pepper, Procter & Gamble; Donald H. Rumsfeld, Gilead Sciences; Henry B. Schacht, Lucent Technologies; Walter V. Shipley, Chase Manhattan Bank; Ernest Stern, J.P. Morgan & Co.; Maurice Tempelsman, Lazare Kaplan International; John L. Vogelstein, E.M. Warburg, Pincus & Co.) (Cross reference 1999-se-000638  
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EXECUTIVE SECRETARIAT

0010000000249

*Gene G. Mead*  
Chairman and  
Chief Executive Officer

Tenneco  
1275 King Street  
Greenwich, Connecticut 06831  
Tel 203 863 1111  
Fax 203 863 1110



February 25, 1999

The Honorable Robert E. Rubin  
Department of the Treasury  
Office of the Secretary  
1500 Pennsylvania Avenue, NW  
Room 3330  
Washington, D.C. 20220

Dear Mr. Secretary:

We are writing in follow-up to Jim Thomson's letter of January 20, 1999 (copy attached) inviting you to address the forthcoming meeting of the Russian-American Business Leaders Forum on May 15-16 in New York.

As founding members of the Forum and active participants in its three preceding meetings, we believe that the Forum has played a unique role in fostering sustained and meaningful dialogue with the most politically influential members of Russia's emergent business elite on issues of utmost importance not only for U.S.-Russian economic relations but for U.S.-Russian relations more generally. Despite Russia's failure to create a functioning market economy or a political consensus on behalf of economic reform, we believe that the Forum has played a very constructive role in fostering a fuller and deeper understanding by Russian businessmen and entrepreneurs of what must be done to stabilize and modernize the Russian economy and why the creation of such an economy is in their own and their country's vital interest, as well as in the interest of the United States.

At a time when the economic policy of the new Russian government is still in flux (if not non-existent), when the divisions within the Russian political elite are being exacerbated by preparations for the forthcoming election, including efforts to stoke the fires of increasingly evident anti-Americanism, and when the country is in the midst of a deepening and possibly devastating economic crisis, it seems to us that forthright conversation with Russian entrepreneurs of the sort who will be attending the May meeting of our Forum is urgently important. Furthermore, we are convinced that your leadership of such a discussion could make a major difference in the crucial role these businessmen decide to play in resolving the policy and electoral uncertainties that will determine Russia's near- and mid-term future and thereby the near- and mid-term future of U.S.-Russian relations.



The Honorable Robert E. Rubin  
February 25, 1999  
Page Two

We very much hope that you will be able to join us in New York and look forward to hearing from you at your earliest convenience.

Respectfully,

Co-Signatories:

*Kenneth L. Lay* /sr

Kenneth L. Lay  
Chairman and CEO  
Enron Corporation

*Walter V. Shipley* /sr

Walter V. Shipley  
Chairman and CEO  
The Chase Manhattan Bank

*Paul H. O'Neill* /sr

Paul H. O'Neill  
Chairman and CEO  
Alcoa, Inc.

*Ernest Stern* /sr

Ernest Stern  
Managing Director  
J.P. Morgan & Co., Incorporated

*John E. Pepper* /sr

John E. Pepper  
Chairman of the Board  
Procter & Gamble

*Maurice Tempelman* /sr

Maurice Tempelman  
Chairman of the Board  
Lazare Kaplan International, Inc.

*Donald H. Rumsfeld* /sr

Donald H. Rumsfeld  
Chairman of the Board  
Gilead Sciences, Inc.

*John L. Vogelstein* /sr

John L. Vogelstein  
Vice Chairman and President  
E. M. Warburg, Pincus & Co., LLC

*Henry B. Schacht* /sr

Henry B. Schacht  
Director and Senior Advisor  
Lucent Technologies

# RAND

James A. Thomson

*President and Chief Executive Officer*

1700 Main Street

January 20, 1999

PO Box 2138

San Jose, Mexico

The Honorable Robert E. Rubin  
Department of the Treasury  
Office of the Secretary  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

California

90407 - 2138

310 451 6936

Dear Mr. Secretary:

Fax: 310 451 6077

I am writing to invite you to give the principal address at the fourth, semi-annual meeting of the RAND-sponsored Russian-American Business Leaders Forum. This meeting will take place on Saturday May 15 and Sunday May 16, 1999 at The Mark Hotel in New York. A brief description of the Forum and list of its current members is attached, along with reports on its first and second meetings and a short account of its third meeting—meetings at which then-Prime Minister Viktor Chernomyrdin, Paul Volcker, and First Deputy Prime Minister Yuri Maslyukov, respectively, were the keynote speakers.

**Board of Trustees**

Paul H. O'Neill  
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Patricia Salas Plazola

Kenneth I. Shier

Jerry L. Spitzer

James A. Thomson

Paul A. Volcker

Albert D. Wharton

James U. Wilson

Charles J. Zwick

As will be immediately apparent from these attachments, the Forum is a membership organization that brings together a highly select group of American and Russian corporate CEO's and chairmen for regular, in-depth discussions of strategic issues on the international and national economic, political, and security agendas of the two countries. The purpose of the Forum is not only to foster productive bilateral financial and commercial relations but to promote America's (and Russia's) vital national interests by accelerating Russia's transformation into a "normal" country and reducing the clear and present danger of a failure that could result in serious regional and global instability.

Since the leaders of Russia's emerging private sector are playing and will continue to play a major role in determining the outcome of that country's current and emergent economic and political crisis, the case for engaging them in serious dialogue seems compelling. In short, we believe that your address to the Forum would come at a particularly crucial time when it could have significant influence on Russia's near- and longer-term development.

**President's Council**

Hedberg Anstey

Paul Baran

Richard C. Barker

Pratt S. Bing

Frank C. Carlucci

Robert Chernin

Pratt M. Flanigan

Caryl F. Hoshino

Risa E. Hauer

Bruce Karatz

Richard S. Leffler

Kenneth Lipper

Paul F. O'Griffie

Donald B. Rice

Donald H. Ransford

Eleanor B. Sheldon

James A. Thomson

Richard B. Wolf

Ideally, we would like to schedule your address following a reception and dinner for Forum members and a few specially invited guests that will begin at 7:00 p.m. on Saturday evening May 15. If your schedule makes this inconvenient or impossible, however, we would be happy to hear you speak at either a breakfast or luncheon meeting on Sunday May 16.

I and all of the other members of the Forum very much hope that you will be able to join us. I look forward to hearing from you as soon as possible and to seeing you in May.

Sincerely,



JAT:iv

Attachments

**TENNECO**  
1275 King Street  
Greenwich, Connecticut 06831  
Tel 203 863 1111  
Fax 203 863 1110

## FACSIMILE COVER SHEET

**DATE:** February 25, 1999

**TO:** The Honorable Robert E. Rubin  
Department of the Treasury  
Office of the Secretary  
1500 Pennsylvania Avenue, NW  
Room 3330  
Washington, D.C. 20220

**TEL:** 202.622.0054

**FAX:** 202.622.0073

**FROM:** Dana G. Mead  
Chairman and Chief Executive Officer

**SUBJECT:** Attached Letter

**TOTAL NUMBER OF PAGES INCLUDING COVER SHEET: 4**



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## Facsimile Cover Sheet

**To:** The Honorable Lawrence H.  
Summers

**Company:** U.S. Department of Treasury  
**Phone:** 202/622-1100  
**Fax:** 202/622-0073

**From:** Rosalee Fleming for  
Kenneth L. Lay

**Company:** Enron Corp.  
**Phone:** 713/853-6088  
**Fax:** 713/853-5313

**Date:** 10/08/99

**Pages including this  
cover page:** 2

**Comments:**



**Kenneth L. Lay**  
Chairman and  
Chief Executive Officer

October 8, 1999

**Enron Corp.**  
P. O. Box 1188  
Houston, TX 77251-2188  
(713) 853-6773  
Fax (713) 853-5313  
klay@enron.com

The Honorable Lawrence H. Summers  
Secretary of the Treasury  
U.S. Department of Treasury  
1500 Pennsylvania Avenue, NW  
Room 3330  
Washington, D.C. 20220

Dear Larry:

I apologize that we have not been able to connect by telephone over the last 2 or 3 days. It appears that our respective schedules are totally out of sync.

The reason I was calling has to do with a matter that just recently came to my attention. Apparently at a conference of the National Economic Research Association held the week of July 5<sup>th</sup> this year, Treasury Department assistant general counsel John Yeutter made some comments concerning over-the-counter (OTC) derivatives regulation and Enron which were troubling. He apparently stated that the President's Working Group on Financial Markets in its pending study on Hedge Funds and Derivatives considered OTC derivatives regulation an "open issue", and it may recommend regulation of "otherwise unregulated entities, such as Enron".

As you would expect, we are troubled by being singled out, but even more troubled by the notion that financial regulators may be considering any regulation of OTC dealers, particularly in the energy field, where we believe derivatives are truly customer based risk management tools. Enron believes there is no need for any additional regulation of OTC derivatives dealers in as much as the OTC derivatives markets are functioning very smoothly today and, based on any information we have, there have been no problems in the energy derivatives market that warrant regulation. In fact, we believe that derivative products provide a useful and important risk management tool for our customers and the customers of many other dealers in the energy industry and many other business areas.

Larry, hopefully the comments made by John Yeutter were just a misunderstanding. However, if there is any serious thought of imposing regulation of OTC dealers, we would certainly like to have an opportunity to make our case as to why we think this is not warranted. I would very much appreciate receiving a call or note from you if in fact there is any reason that we should be concerned about this occurring.

I spent some time with Bob Ruben in Shanghai last week and he appears to be doing very well. I must say he looked more relaxed than I have seen him in years.

Warm regards,

Natural gas. Electricity. Endless possibilities.





DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

011105

October 27, 1999

**ACTION**

**ACTION**

**MEMORANDUM FOR SECRETARY SUMMERS**

**FROM:** Neal S. Wolin *NSW*  
Acting General Counsel

**SUBJECT:** Response to Letter from Kenneth L. Lay, Chairman and Chief  
Executive Officer of Enron Corp.

[(b)(5)]

**EXECUTIVE SECRETARIAT**

0010000000261

[(b)(5)]



DEPARTMENT OF THE TREASURY  
- WASHINGTON, D.C.

November 22, 1999

SECRETARY OF THE TREASURY

Mr. Kenneth L. Lay  
Chairman and Chief Executive Officer  
Enron Corp.  
P.O. Box 1188  
Houston, TX 77251-1188

Dear Ken:

Thank you for your letter regarding remarks made by John Yetter, a Treasury Department attorney, at a conference sponsored by National Economic Research Associates, Inc. in July.

I understand that Mr. Yetter's remarks at the conference reflected language contained in the Report of the President's Working Group on Financial Markets, Hedge Funds, Leverage, and the Lessons of Long-Term Capital Management, which was published in April. I am enclosing a copy of the report; the discussion concerning derivatives dealers unaffiliated with a federally regulated entity is found at pages 42 and 43.

Lee Sachs, the Assistant Secretary for Financial Markets, and Mr. Yetter met with several of your colleagues on October 6 at Enron's request to discuss the concerns that you subsequently raised in your letter. I understand that there was some discussion of the fact that the Working Group's report on over-the-counter derivatives would be completed shortly. Mr. Sachs has also informed me that he recently spoke with you on the telephone about your concerns.

The new report, Over-the-Counter Derivatives Markets and the Commodity Exchange Act, was released on November 9. A copy of this report is also enclosed. As discussed at pages 34 and 35 of the report, the Working Group is not recommending legislative action with respect to derivatives dealers that are unaffiliated with a federally regulated entity at this time.

If you have any further questions or concerns, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink, appearing to be "L. Summers", written over a horizontal line.

Lawrence H. Summers

Enclosure

0010000000263

ENRON, WASHINGTON  
1775 EYE STREET, NW  
Suite 800  
Washington, DC 20006  
202-466-9145  
202-828-3372 (fax)

**FAX COVER SHEET**

DATE: 3/14/01 4:47 PM  
NAME: \_\_\_\_\_ fax number: \_\_\_\_\_  
TO:

Attention: Nancy (Scheduler)  
The Honorable Paul H. O'Neill  
Secretary of Treasury  
U.S. Department of Treasury  
1500 Pennsylvania Avenue, NW  
Room 3330  
Washington, DC 20220  
202-622-1100  
202-622-0073 (fax)

FROM: Linda Robertson, Vice President, Federal Government Affairs  
Lora Sullivan PHONE: 202-466-9142  
FAX: 202-828-3372

Number of pages: 1

Re: Request for a meeting with the Secretary on April 5 in the afternoon

Dear Nancy:

Jeff Skilling, President and CEO for Enron would like to schedule a meeting with the Secretary to discuss West Coast energy crisis issues. We would like to schedule a short meeting sometime after Noon on Thursday, April 5, 2001. If this is possible, please call me at the number listed below.

Thank you for your assistance in this regard.

Lora Sullivan  
Federal Government Affairs Representative  
202-466-9142

ENRON, WASHINGTON  
1775 EYE STREET, NW  
Suite 800  
Washington, DC 20008  
202-466-9145  
202-828-3372 (fax)

**FAX COVER SHEET**

**DATE:** 3/14/01 4:47 PM  
**NAME:** \_\_\_\_\_ **fax number:** \_\_\_\_\_  
**TO:**

Attention: Nancy (Scheduler)  
The Honorable Paul H. O'Neill  
Secretary of Treasury  
U.S. Department of Treasury  
1500 Pennsylvania Avenue, NW  
Room 3330  
Washington, DC 20220  
202-622-1100  
202-622-0073 (fax)

**FROM:** Linda Robertson, Vice President, Federal Government Affairs  
Lora Sullivan **PHONE:** 202-466-9142  
**FAX:** 202-828-3372

Number of pages: 1

**Re: Request for a meeting with the Secretary on April 5 in the afternoon**

Dear Nancy:

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Thank you for your assistance in this regard.

Lora Sullivan  
Federal Government Affairs Representative  
202-466-9142



013737

DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

January 15, 1999

**MEMORANDUM FOR SECRETARY RUBIN**

**FROM:** MICHAEL S. BARR *MSB*  
DEPUTY ASSISTANT SECRETARY  
COMMUNITY DEVELOPMENT POLICY

**SUBJECT:** Letter From Kenneth L. Lay, Enron Corporation

**ACTION FORCING EVENT:**

Reply to Kenneth L. Lay's letter regarding endorsement of Houston's Empowerment Zone application.

**RECOMMENDATION:**

That you sign the attached letter.

Agree  Disagree  Let's Discuss

Attachment

Tab 1: Response letter to Kenneth L. Lay

0010000000541



**Kenneth L. Lay**  
Chairman and  
Chief Executive Officer

**Enron Corp.**  
P. O. Box 1188  
Houston, TX 77251-1188  
(713) 853-6773  
Fax (713) 853-5313  
klay@enron.com

May 14, 1999

The Honorable Robert E. Rubin  
Department of the Treasury  
15<sup>th</sup> & Pennsylvania Ave., NW  
Washington DC, 20220

Dear Bob:

Although not surprised, I am sorry to see you step down as Treasury Secretary. By any objective or subjective measurement, you have done an outstanding job not only for your country but for the world. Your steady hand will be missed.

At the same time, in Larry Summers you do have an excellent replacement. I have no doubt that Larry will continue the strong and effective economic policies that have been implemented during your tenure.

One additional point. If you are considering joining any corporate boards, I would like very much to talk to you. Given the way Enron has evolved, not only do we badly need a person with your experience and insights (gained both at Goldman Sachs and at the U.S. Treasury) but also I think you would find serving on our board intellectually and otherwise interesting. I have placed a call to you in the hope that I might mention this to you personally.

My very best in whatever you do next. You certainly deserve a somewhat less hectic schedule and would hope that you will take advantage of that at least for some time.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ken", written in a cursive style.

Rubin 51499.doc

**Natural gas. Electricity. Endless possibilities.™**



1600 Smith Street, Houston, TX 77002-7234  
P.O. Box 1188, Houston, TX 77251-1188  
FIRST CLASS  
5-99  
POSTNET



The Honorable Robert E. Rubin  
Department of the Treasury  
15<sup>th</sup> & Pennsylvania Ave., NW  
Washington DC, 20220

AUTO 20220







**Kenneth L. Lay**  
*Chairman and  
Chief Executive Officer*

**Enron Corp.**  
P. O. Box 1188  
Houston, TX 77251-1188  
(713) 853-6773  
Fax (713) 853-5313  
klay@enron.com

May 14, 1999

The Honorable Lawrence H. Summers  
Secretary-Designate  
U.S. Department of Treasury  
15<sup>th</sup> & Pennsylvania Ave., NW  
Washington DC, 20220

Dear Larry:

Congratulations on taking the reins at the Treasury. You have certainly had a lot of on the job training with Bob and I have absolutely no doubt that you will do an outstanding job, just as he has done.

These are fascinating times both for the U.S. economy and the global economy. Although you are filling some very large shoes, I cannot imagine anybody better prepared to do that than you are.

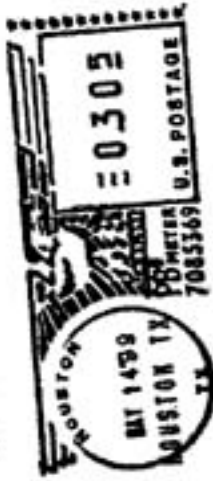
I hope our paths continue to cross and certainly stand ready to be available if there is anything at all I or Enron could do for you or the department.

Sincerely,

A handwritten signature in cursive script that reads "Ken".



1400 Smith Street, Houston, TX 77002-7800  
P.O. Box 1188, Houston, TX 77251-1188  
+1 281 555-1599



The Honorable Lawrence H. Summers  
Secretary-Designate  
U.S. Department of Treasury  
15<sup>th</sup> & Pennsylvania Ave., NW  
Washington DC, 20220



AUTO 20220



THE DEPUTY SECRETARY OF THE TREASURY  
WASHINGTON, D. C. 20220

May 25, 1999

Mr. Kenneth L. Lay  
Chairman and Chief Executive Officer  
Enron  
P.O. Box 1188  
Houston, Texas 77251

Dear Ken:

Thanks very much for your kind letter of congratulations. I am grateful for your best wishes and deeply honored by the President's choice. As I said in the Rose Garden, Secretary Rubin's act is a tough one to follow and there are certainly plenty of challenges ahead. I am looking forward to the opportunity and to continuing on the course that has been set.

I hope our paths will cross again soon.

Sincerely,

Lawrence H. Summers

BS - I'll keep my eye on  
your deregulation and energy  
market infrastructure issues.

**AMENDED LIST**  
**SIGNERS OF AMBASSADOR CHARLENE BARSHEFSKY LETTER 6/8/99**

- (1) American Wind Energy Association
- (2) American Petroleum Institute
- (3) ARCO
- (4) Capitol Strategies
- (5) The Chevron Companies
- (6) Consolidated Natural Gas Company
- (7) Coalition of Service Industries (CSI)
- (8) Edison Electric Institute
- (9) EDS
- (10) El Paso Energy
- (11) Enron Corp.
- (12) General Electric
- (13) International Association of Drilling Contractors - IADC
- (14) Interstate Natural Gas Association of America -INGAA
- (15) International Gas Center
- (16) Independent Petroleum Association of America - IPAA
- (17) Mid-American Energy Holdings Company
- (18) National Foreign Trade Council - NFTC
- (19) New York Mercantile Exchange
- (20) US Pacific Economic Cooperation Council – US-PECC
- (21) Sarkeys Energy Center, University of Oklahoma
- (22) Siemens
- (23) United States Energy Association - USEA
- (24) US ASEAN Business Council
- (25) US Chamber of Commerce
- (26) United States Council for International Business (USCIB)
- (27) U.S. Oil & Gas Association
- (28) Westinghouse

## INTRODUCTION TO ENERGY SECTOR SERVICES MATRIX

The globalization of the world economy and rapid advancements in information technology has raised significant questions regarding traditional theories of international trade. In the past, international trade consisted of imports and exports of goods such as agricultural products (grain, corn or other foodstuffs), natural resources (oil, coal or minerals), and manufactured goods (clothing, automobiles or electronics).

The globalization of the world economy has increased this type of trade. Many of these goods, such as oil, are considered to be sold in a world market, with prices depending on global conditions that affect the mechanics of supply and demand. The markets for many other goods (for example metals and oil by-products) are also traded in an international market.

Perhaps the greatest globalized market is the one for financial capital. With the recent developments in information technology, a financial trader can move millions, if not billions, of dollars from one market to another with just a few taps on a keypad. These capital markets are brutally competitive and place increasing demands on those that provide and use capital. Businesses that use financial capital are constantly looking for ways to be more efficient and to achieve higher returns for their capital providers – lest the providers go elsewhere. They are also looking for ways to reduce their cost of capital by reducing the risks inherent in their business through the use of service providers that are more capable than they at managing certain risks. The reasons for these actions are obvious; without financial capital, businesses and economies can not thrive.

In light of these developments in the international markets, you are asked to consider the following energy sector services matrix. The energy sector is perhaps the most capital-intensive sector in the world's economy. Oil refineries, power plants and gas pipelines are very expensive. Efficient capital formation demands that energy industry participants operate in the most economical manner. These demands often result in the use of specialists such as drilling companies or construction companies. They also often require that certain risks such as fuel supply, operational performance and transportation and delivery of energy products be managed by companies with sufficient expertise (and credit rating). Further, energy intensive industries are increasingly becoming aware of the impact of uncertainties in the cost of their capital cost structure due to the inability to effectively manage the cost of their electricity and natural gas and are utilizing commodity and price risk management strategies.

The energy sector services matrix describes several areas that can be viewed as distinct areas of trade within the energy industry. These areas do not involve the movement of goods from one country to another. Rather, they deal with the movement

of intellectual capital – ideas – from one place to another. Through this flow of ideas, business can be conducted more efficiently. This allows for low cost energy to delivered to consumers. Low cost energy allows businesses to remain competitive in the ever increasingly global market place. It also allows businesses to attract the low cost financial capital that is needed to maintain growing and robust economies.

## ENERGY SECTOR SERVICES MATRIX

The following four broad categories of services descriptions should be read in conjunction with the table of CPC codes which follows:

### A. Oil & Natural Gas Development Services

1. Exploration. Exploration includes collecting scientific data through gravity, magnetic, seismic and geologic methods to assess the earth's subsurface characteristics and intimate the presence of oil and gas reserves. Governments through production sharing contracts or royalty/tax regimes often offer areas of exploration. Other services also are provided, such as exploration and production information systems, software and computer modelling services to help petroleum companies find, produce and manage oil and gas reservoirs.
2. Drilling. Drilling is the process of creating a well to locate and recover oil and gas. Drilling is often referred to as the production phase. Drilling is accomplished by using many specialised industry-specific contractors with unique equipment and services. These contractors include drilling, mud, downhole tools, logging, cementing, testing, stimulation and completion.
3. Processing, Gathering & Refining. This is the process of isolating saleable crude oil and natural gas products from a mixed raw production stream. Crude oil is isolated from water and gas, hydrocarbon liquids and other inert gases. Gathering occurs by gathering oil from a group of wells to isolate saleable products and at a larger level where these saleable products are distributed by pipeline, barge, etc. to a market. Crude oil is processed at refining installations into a number of refined products, such as lubricants, fuels and gasoline. Other oil services under this heading include evaluation of producing formulations, production enhancement and well maintenance services. Natural gas is isolated from water, hydrocarbon liquids and other inert gases. Gathering occurs by gathering gas from a group of wells or from coal bed methane seams or land fills to isolate saleable products and at a larger level where these saleable products are distributed by pipeline to market. Natural gas also can be liquified for transportation by specially designed cargo ships to port facilities where it is regasified and injected into pipeline systems for transportation to markets.
4. Design & Engineering. Extensive specialised design, engineering, procurement and construction services are required in building production processing equipment, pipelines and gathering systems. In offshore situations there is also the matter of designing and construction platforms, processing equipment and gathering systems.
5. Production (Construction, Operation & Maintenance). This includes work over rigs and associated support services, which are similar to drilling listed above, except that these work over rigs are generally more specialised using different equipment. Operation and maintenance includes the support technical personnel, chemicals and service equipment to continuously process the oil and gas.
6. Storage. Crude oil is stored in large tanks at atmospheric pressure and temperatures. Natural gas can be stored in liquified form in specialised tanks or as compressed vapour in underground reservoirs.
7. Support Services. These include analysis of rock and other production field samples in order to access the commercial viability of a field. These tests and their results enhance competition and stimulation designs.
8. Waste Management & Disposal. This includes disposing of produced water, drill cuttings, drilling fluids and spent process fluids.

## B. Natural Gas Sale, Transportation and Distribution Services.

1. Design & Engineering. Extensive specialised design, engineering, procurement and construction services are required in building natural gas production facilities, processing equipment, pipelines and gathering systems. In offshore situations there is also the matter of designing and construction platforms, processing equipment and gathering systems. These services also include the design and operation of information and communication equipment to facilitate communication between field and market participants (such as trading floors).
2. Transportation. Pipelines typically move natural gas from gathering and processing facilities, or from liquefied natural gas regasification facilities, to local distribution entities and end-use markets. Additional services in this area include the repair and maintenance of pipelines and associated equipment, response to customers' needs, management training, installation, up grade and expansion of pipelines, meters, storage and compression equipment, and installation of service to additional customers.
3. Distribution. Natural gas service is provided to end-use customers by a local distribution entity, which transports the gas from the high pressure transportation pipeline to consumers through lower volume and pressure pipelines. Additional services in this area include the repair and maintenance of mains, response to customers' needs, management training, installation of additional mains, meters, storage, compression and end-use equipment, and installation of service to additional customers.
4. Storage. Natural gas can be stored in liquefied form in specialised tanks or as compressed vapour in underground reservoirs. Storage services help coordinate gas supply and consumption patterns, thereby increasing the efficiency of the gas production, transportation, distribution and end-use system.
5. Demand-Side & Other Customer Services. These include programs to reduce or restructure a customer's consumption of natural gas in order to conserve natural gas, shape overall consumption patterns, and enhance the efficiency of the production and delivery system. These services include energy audits, replacement or up grades of existing customer equipment, and other efficiency and conservation services that help an end-use customer manage the efficient use of natural gas. These also include metering and billing services.
6. Trading, Marketing & Brokering. These services include the buying and selling of natural gas or natural gas services for resale or for sale to the ultimate customer, and the arrangement of transactions between buyers and sellers of natural gas. A gas trader or marketer will buy natural gas and take the risk that the gas can either be used or resold to another party. A trader also will aggregate supplies of gas and provide customers with natural gas supplies and services that are custom fit to the consumer's needs. Traders also arrange for the transportation of gas to consumers. Brokers do not purchase natural gas supplies or services, but arrange transactions between buyers and sellers and also may aggregate suppliers and sellers in order to take advantage of large volume transactions.
7. Commodity & Price Risk Management. These services include the providing of calls, puts, swaps, options and commodity price risk management tool: whose underlying values are attached to the price of natural gas. These services enhance the efficient operation of natural gas markets by providing price discovery and price risk management tools to those dealing in the underlying physical commodity. These services also can lead to substantial benefits in the deployment of capital in the industry and improve economic efficiency. Even though these services are utilised by businesses worldwide, they can involve activities that may be prohibited under certain jurisdiction anti-gaming laws, because they are not tied directly to a physical commodity.



### C. Electricity Project Development, Generation, Transportation and Distribution Services.

1. Design & Engineering. This includes configuration of the power plant, transmission system, substations, and various other equipment. Also included is the use of technology such as gas-fired or steam turbines, fluidised beds, or wind, solar or other renewable energy technologies. Design and engineering services can be greatly affected by requirements to include in-country materials or in-country design mandates. Design and engineering services also include all customary development work, such as acquiring all necessary permits and approvals, and contracts for fuel, transportation and other supplies. It should also include elements such as detailed design, preparation of specifications and project management. Also services to refurbish and upgrade power stations to improve economic and environmental performance.
2. Generation (Construction, Operation & Maintenance). This includes actual construction of the facility, start-up services, training of personnel, safety and security of personnel, material fabrication and installation, equipment financing, and equipment and construction warranties. Operation and maintenance services include the actual operation and maintenance of the facility as well as financial and management services, environmental and safety safeguards, periodic equipment replacements and upgrades, and efficiency programs. Included in the operation category are fuel procurement services, acquisition of spare parts, and preventative and periodic maintenance. Generation of renewable energy is also included.
3. Transportation. Transportation (or transmission) in the electricity service sector involves the movement of electricity along high voltage transmission lines. Additional services in this area include control room services of the central network, scheduling of electricity transmission, provision of ancillary services (such as, load following, stability services, reactive power, and spinning reserves), and access to the transmission system. These services also include the operation and maintenance of the transmission lines and upgrading of these lines based on advancements in technology.
4. Distribution. Distribution involves transporting electricity from high voltage lines to low voltage lines, including associated transformer and substation facilities, for delivery to end-use customers. These are the lines that are customarily seen in residential areas to deliver electricity to consumers. Additional services in this area include the repair and maintenance of distribution lines and facilities, response to customers' needs, installation of additional lines, up grades of lines and facilities, and installation of service to additional customers.
5. Waste Management & Disposal. This involves the handling and disposal of the residue from the combustion phase of electricity generation (coal ash, solid particulates, etc.). Other aspects include pollution control services such as fuel gas stack scrubbers, particulate reduction, and water treatment and disposal.
6. Demand-Side & Other Customer Services. These include programs to reduce or restructure a customer's consumption of electricity in order to conserve electricity, shape overall consumption patterns, and enhance the efficiency of the production and delivery system. These services include energy audits, replacement or up grades of existing customer equipment, and other efficiency and conservation services that help an end-use customer manage the efficient use of electricity. These also include metering and billing services.
7. Trading, Marketing & Brokering. These services include the buying and selling of electricity and electricity services for resale or for delivery to the ultimate customer, and the arrangement of transactions among buyers and sellers of these services. An electricity trader or marketer will buy (take title to) the electricity and take the risk that the electricity can be used or sold to another party. An electricity trader will also aggregate supplies of electricity and provide customers with custom fit services to meet their individual needs. Traders also arrange for the transportation of electricity to end-use customers. Brokers do not buy (take title to) electricity services but arrange transactions for buyers and sellers. They also may aggregate supplies and purchasers in order to take advantages of economies of scale involved in large volume transactions.

In addition, electricity can be effectively "stored" by trading or swapping electricity for natural gas or other energy services during emergency, peak-load, or other high-cost hours. These services are highly specialised and case-specific and allow the various energy services to be substituted for each other in order to maximise efficiency and increase profitability. These services include the use of technologies for supplementing energy during peak hours or at the time other technologies are not available.

8. Commodity & Price Risk Management. These services include the providing of calls, puts, swaps, options and commodity price risk management tools whose underlying values are attached to the price of electricity. Development of these services enhances the efficient operation of electricity markets by enhancing price information available to market participants and improving their ability to manage risk associated with fluctuating prices for electricity commodities. These price discovery and price risk management tools also contribute substantial benefits by improving the economic efficiency of electricity commodity markets and by reducing the risk associated with the deployment of capital in the industry. Even though these services are utilised by businesses worldwide, they can involve activities that may be prohibited under certain jurisdiction anti-gaming laws, because they are not tied directly to a physical commodity.

#### D. Coal and Uranium Mining Services

1. Exploration. Exploration services apply both advanced technologies including remote sensing from satellites and aircraft and physical surveys and sampling to pinpoint exact locations of mineral discovery. Drilling services are utilised at promising sites. Core sample testing services via chemical analysis, x-ray, microanalysis, and neutron activation analysis among others validate the mineral discovery.

2. Regulatory Approvals and Environmental Permitting. Environmental engineering services are applied to thoroughly study the environmental characteristics and impacts of the proposed mine in areas including air quality, archaeological and cultural, groundwater modelling, noise, socioeconomic, surface water, wetlands, and other impacts. Environmental permitting specialists assist in preparation of studies and documents to meet the various local, state and federal requirements. Public relations specialists communicate with the various public involved in the process. Environmental specialists prepare plans to protect the environment throughout the mining process, during reclamation of the site and into perpetuity.

3. Development. Mine planning specialists design detailed customised plans for surface or underground mining. The plan details the flow of activity, positioning of all support structures and processes and definition of equipment to be utilised. A variety of services are utilised as structures are built, equipment is procured, a workforce is hired, management staff is appointed, training programs are developed and the operation prepares for start-up. Development may be performed directly by mine owners/operators or through specialised consultants and subcontractors in part or in entirety.

4. Extraction. In surface mining, the extraction process begins by removing any overburden down to the mineral level. Hard overburden and ores are drilled and blasted into fragments. The fragmented material is then loaded into transport vehicles or conveyors to carry it to a dumping or processing area. Crushing of the material may occur during the transport cycle as well as during processing of the ore. Waste rock and tailings are carefully managed throughout the operation of mine. Mines generally operate 24 hours a day, 365 days a year, so planning for proper inspection, parts inventory management, maintenance, repair, lubrication and upgrading of equipment and haul roads to assure maximum productivity is critical. Activities may be undertaken by the mine staff or contracted.

If mineralisation is deep beneath the surface, shafts or passageways are drilled in order to remove the ore and waste and provide ventilation. Various approaches to mining underground essentially cut the mineral from the walls and convey it back to the surface for loading into rail cars or trucks for transfer to processing. Various engineering disciplines are required to maximise the reserve recovery at the lowest economical cost.

5. Processing. Many minerals require separation from the rock in which they are found. The mineral may then require concentration, usually by crushing or grinding the material. Flotation processes, heap leaching or in situ processes may be used, depending on the mineral and the ore body configuration. In the case of coal, washing and blending to grade may be required. Waste products resulting from processing need to be disposed of in an environmentally responsible manner. Coal quality needs to be assessed to ascertain combustion qualities and handling characteristics.
6. Production/Technology. To date, mature mining markets have increased their productivity and reduced their costs via mechanisation. Mechanisation has nearly reached its ceiling. Future enhancements will include the electronic/information systems which allow existing mechanical/hydraulic systems to communicate among themselves & optimise performance. Developing markets will be forced to compete on a cost basis in the future. Most likely, they will follow the trend of the mature markets (ie. Mechanisation). Producing more product with fewer people will create difficult political, social & economics decisions for these countries. Another important aspect is the provision of mine safety services.
7. Marketing. Coal mines establish contracts with utilities or sell coal on spot markets, while prices fluctuate relative to the commodities market. There is a trend in the coal market toward commodity market behaviour due to deregulation/privatisation of the utility industry.
8. Transportation. Coal and Uranium are transported to processing facilities and ultimately to the export port and/or marketplace for those commodities. Railroads, ore boats, conveyor belt lines, trucking and port facilities are used extensively. In remote mines, transportation is provided to fly mine staff in and out of the property. Transportation of all equipment and resources to explore, develop, operate, service and reclaim a mine are also key considerations.
9. Reclamation. The modern mining industry is held accountable for protection of the environment. In most developed countries, reclamation is an integral and ongoing aspect of the mine plan of operation and independent laboratories administer tests to assure compliance. Consultants provide guidance. Environmental specialists work to meet all permitting requirements during mining operations and reclamation. Also environmental management issues including construction of tailings dams, monitoring of air, water and noise emissions, land rehabilitation, emissions form spoil heaps and methane drainage, capture and utilisation.
10. Recycling. Many mining companies have active recycling operations.
11. Engineering. Design of the equipment and infrastructure to explore, extract, process and transport minerals along with the design of mine plans which utilise this equipment optimally is an extremely challenge task. The history of mining in the world is that the easiest reserves are always mined first. Future mining will include more difficult mining conditions, lower quality minerals/ores and more stringent regulatory requirements. In part, this will be accomplished successfully movements in engineering design/approaches.

Table of Supplementary CPC codes:

ACTIVITY DESCRIPTION	Illustrative CPC Codes (where relevant)	Oil & Natural Gas Development	Natural Gas Sale, Transportation & Distribution	Electricity Development Generation & Distribution	Coal and Uranium Mining Services
Exploration	8675; 8676	X			X
Drilling	83; 887	X			
Processing & Gathering	72122; 884; 885	X			X
Refining	52263	X			
Design & Engineering	5134; 5135; 86725; 86739	X	X	X	X
Production (construction, operation & maintenance)	883; 52262	X		X	X
Transportation	71310; 887; 52241; 52243; 51340		X	X	X
Distribution	71310; 62113; 62271; 63297; 887; 51350; 52250		X	X	
Storage	7422	X	X		
Support Services	8676	X			X
Waste Management Recycling & Disposal	9402; 9404	X		X	X
Customer Services			X	X	
Regulatory Approvals & Environmental Permitting					X
Development	51150				X
Extraction	52261				X
Processing					X
Trading, Marketing & Brokering	62113; 62271; 69297; 81321		X	X	
Commodity & Price Risk Management	81339; 81321		X	X	



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

INFORMATION

November 30, 2001

MEMORANDUM FOR SECRETARY O'NEILL

FROM: Karen Hendershot  
Acting Director, Office of Macroeconomic Analysis

SUBJECT: U.S. Economic Statistics

[(b)(5)]

00300000000043

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[(b)(5)]

**Stewart, Elizabeth K.**

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**From:** Mills, Marshall  
**Sent:** Wednesday, February 14, 2001 9:30 AM  
**To:** Clapp, Gene; Grewe, Maureen; Stewart, Elizabeth K.; McDonald, Larry; Patti Brukoff (E-mail); Robin Ritterhoff (E-mail)  
**Subject:** Turkey Energy Projects: Turkish Treasury reportedly accepts extension of deadline

[(b)(5)]

## ECONOMIC NEWS BRIEFS

Feb 14, 2001

-- Daily Radikal reports that during talks with the IMF and the World Bank, Treasury officials requested a delay in the March 31 deadline for completion of TOR contracts. Reportedly, the IMF and the WB accepted a delay until June 31.

**Nichols, Robert**

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**From:** Davis, Michele  
**Sent:** Wednesday, November 28, 2001 5:06 PM  
**To:** Fratto, Tony; Nichols, Robert; Holahan, Betsy  
**Subject:** RE: ENRON questions

[(b)(5)]

-----Original Message-----

**From:** Fratto, Tony  
**Sent:** Wednesday, November 28, 2001 3:38 PM  
**To:** Nichols, Robert; Holahan, Betsy  
**Cc:** Davis, Michele  
**Subject:** ENRON questions  
**Importance:** High

Ari took a question regarding Enron today and referred questions to Treasury and said that Treasury is monitoring the situation.

Michele has cleared a quote to use in response to reporter inquiries:

**"We are monitoring the credit markets, as we do every day."**

In response to follow-up questions about evidence of risk in the markets or unusual activity:

**"The markets always fluctuate. We haven't seen anything extraordinary."**

Further questions about energy and Enron should be referred to FERC or CFTC.

**ROB NICHOLS**  
**DEPUTY ASSISTANT SECRETARY (PA)**  
**TELEPHONE LOG - JANUARY 2002**  
**1:05 PM**

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[OUTSIDE SCOPE]

2:32 626-8472 Ken Fireman, News day, REF: he heard a story on the AP wire quoting Michele as saying that dates that the Secy had spoken w/Ken Lay were Oct 28 and Nov 2. "Is that accurate?"

[OUTSIDE SCOPE]

4:03 861-9226 Joshua Meyer, LA Times, REF: ENRON

[OUTSIDE SCOPE]

**Novey, Michael**

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**From:** Eichner, Matthew  
**Sent:** Wednesday, August 15, 2001 9:39 AM  
**To:** Novey, Michael; Hammer, Viva  
**Subject:** FW: Retail Swaps Study-Blackbird & Enron Interviews



Blackbird interview  
-FINAL.DOC..



Enron interview -  
FINAL.doc

Attached please find final versions of the notes from the Blackbird & Enron interviews. **[(b)(5)]**

>

[(b)(5)]

Nowy, Michael

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From: Matthew  
Monday, June 11, 2001 10:57 AM  
Sent:   
To: Nowy, Michael; Hammer, Viv; Solomon, Eric; Mikut, Joseph; Hansen, Robert; Paravina, Jeffrey  
Cc: Gerzide, Geraldine; Kiefer, Donald  
Subject: Swap Study Meeting

[(b)(5)]

0090000000015



Novoy, Michael

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From: Echner, Matthew  
Sent: Thursday, June 28, 2001 2:41 PM  
To: Novoy, Michael; Hammer, Vik; Mizel, Joseph; Solomon, Eric; Parravano, Jeffrey; Hanson, Robert  
Cc: Gearik, Geraldine; Keller, Donald  
Subject: Retail Samps Study Meeting - 62801

[(b)(5)]

Novoy, Michael

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From: Echner, Matthew  
Sent: Thursday, July 12, 2001 3:54 PM  
To: Novoy, Michael; Hammer, Vik  
Subject: Retail Samps Interviews

[(b)(5)]

Novoy, Michael

From: Echner, Matthew  
Sent: Wednesday, August 15, 2001 9:29 AM  
To: Novoy, Michael; Hammer, Vito  
Subject: FW: Retail Sweeps Study Blockard & Eron Interviews



Blockard & Eron



Blockard & Eron

Attached please find final versions of the notes from the Blockbird & Eron Interviews.

[(b)(5)]

Novoy, Michael

From: Echner, Matthew  
Sent: Thursday, September 06, 2001 3:51 PM  
To: Hasson, Robert; Solomon, Eric; Novoy, Michael; Hammer, Vito; Gerardi, Geraldine; Kiefer, Donald; Echner, Matthew  
Subject: Retail Sweeps Study Meeting

[(b)(5)]

**Novoy, Michael**

**From:** Eichler, Matthew  
**Sent:** Tuesday, August 14, 2001 9:43 AM  
**To:** Novoy, Michael; Hammer, Vira  
**Subject:** FW: Retail Sweeps Study



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Subject: Retail Sweeps Study

I will forward any others of these that I get, although Norman said Enron was one of the more interesting ones. I believe that we agreed to hold the responses by the private sector firms in confidence.

----- Original Message -----  
From: Reay, Christine (mailto:creay@FTC.gov)  
Sent: Monday, August 13, 2001 11:11 AM  
To: 'blair@enr.com'; 'kurt.wilhelm@treas.gov'; 'matthew.eichler@do.treas.gov'; 'norman.castler@do.treas.gov'; 'mironos@dlc.gov'; 'patrick.parkinson@frb.gov'; 'dombal@plainsource.com'; 'jorge.kassamany@frb.org'; 'clara.vincent@ny.frb.org'; 'Additiona@enr.com'; 'Bob.Gasper@enr.com'; 'HeidiLynd@Enr.com'; 'peter.richolof@do.treas.gov'; 'CW\_Kay\_Elizabeth\_S\_B'  
Subject: Retail Sweeps Study

Attached please find notes from the interviews conducted with Enron and Blackbird.  
--Enron - retail sweeps interview not highlighted\_docs  
--Blackbird revised@DOCS

**Novoy, Michael**

**From:** Eichler, Matthew  
**To:** Novoy, Michael  
**Sent:** Monday, January 14, 2002 10:58 AM  
**Subject:** Retail Sweeps Study

Your message

To: Novoy, Michael  
Cc: Re: Retail Sweeps Study  
Sent: 01/14/2002 10:57 AM  
was read on 01/14/2002 10:58 AM

Novoy, Michael

From: Eicher, Matthew  
Sent: Monday, January 14, 2002 11:02 AM  
To: Novoy, Michael  
Subject: RE: Contacts with Enron

[(b)(5)]

-----Original Message-----  
From: Novoy, Michael  
Sent: Monday, January 14, 2002 10:57 AM  
To: Eicher, Matthew  
Cc: Novoy, Michael  
Subject: RE: Contacts with Enron

[(b)(5)]

-----Original Message-----  
From: Eicher, Matthew  
Sent: Monday, January 14, 2002 10:49 AM  
To: Novoy, Michael  
Subject: FW: Contacts with Enron

[(b)(5)]

-----Original Message-----  
From: Gerardi, Geraldine  
Sent: Monday, January 14, 2002 10:46 AM  
To: Anton, Gerald; Boynton, Charles IV; Bissell, David; Carlson, Curtis; Eicher, Matthew; Johnson, Craig; Kaufman, Michael; Macke, James III; Nelson, Susan  
Subject: Contacts with Enron

[(b)(5)]

Novoy, Michael

From: Eicher, Matthew  
Sent: Monday, January 14, 2002 10:49 AM  
To: Novoy, Michael  
Subject: FW: Contacts with Enron

[(b)(5)]

-----Original Message-----  
From: Gerardi, Geraldine  
Sent: Monday, January 14, 2002 10:46 AM  
To: Anton, Gerald; Boynton, Charles IV; Bissell, David; Carlson, Curtis; Eicher, Matthew; Johnson, Craig; Kaufman, Michael; Macke, James III; Nelson, Susan  
Subject: Contacts with Enron

[(b)(5)]

to have their names listed in an appendix to this report.  
Norman Carleton

**Novoy, Michael**

**From:** Fox, Elizabeth L. R. [mailto:elfox@cftc.gov]  
**Sent:** Wednesday, December 05, 2001 1:43 PM  
**To:** Norman Carleton@do.treas.gov; Alexander, M. Bell@caa.eop.gov; nazareth@hac.gov; blaine@hac.gov; colby@hac.gov; Zeln, Robert S. dsw@hac.gov; Dow, Debra H.; diana.vizand@ny.frb.org; donald.lansom@oc.treas.gov; Marjorie Eizner@do.treas.gov; Fox, Elizabeth L. R. elfox@cftc.gov; kurt.wilkinson@do.treas.gov; Viva Hammer@do.treas.gov; poine@hac.gov; Joyce Hansen@ny.frb.org; kurtyn.dick@oc.treas.gov; kurt.wilkinson@oc.treas.gov; lautaromasa@hac.gov; mibrown@hac.gov; Peter Nickolas@do.treas.gov; Michael Novoy@do.treas.gov; dombalagano@hac.gov; m1mpo0@hac.gov; m1paco@hac.gov; Heidi Lynne Schultze@do.treas.gov; Sheila Bar@do.treas.gov; Timothy Blalinger@do.treas.gov; Martha Elant@do.treas.gov; Jose Galardo@do.treas.gov; Jared Gross@do.treas.gov; Brian Rosebrock@do.treas.gov; Gary Sutton@do.treas.gov; Mark Woodman@do.treas.gov  
**Subject:** RE: New Draft of the Retail Swap Report

I have contacted both Baron and [REDACTED] --Enron is fine with being named as an interviewee.

-----Original Message-----  
**From:** Norman Carleton@do.treas.gov [mailto:Norman.Carleton@do.treas.gov]  
**Sent:** Wednesday, December 05, 2001 1:38 PM  
**To:** Alexander, M. Bell@caa.eop.gov; nazareth@hac.gov; blaine@hac.gov; colby@hac.gov; dsw@hac.gov; daniel@hac.gov; dsw@hac.gov; Diane Wilter@ny.frb.org; donald.lansom@oc.treas.gov; Matthew Richardson@do.treas.gov; dsw@hac.gov; eric.barracherosa@do.treas.gov; Viva Hammer@do.treas.gov; polio@hac.gov; Joyce Hansen@ny.frb.org; kathryn.dick@oc.treas.gov; kurt.wilkinson@oc.treas.gov; lautaromasa@hac.gov; norman@hac.gov; Peter Nickolas@do.treas.gov; michael.novoy@do.treas.gov; dombalagano@hac.gov; m1mpo0@hac.gov; m1paco@hac.gov; Heidi Lynne Schultze@do.treas.gov; Cecilia Barredo@do.treas.gov; Timothy Blalinger@do.treas.gov; Martha Elant@do.treas.gov; Jose Galardo@do.treas.gov; Jared Gross@do.treas.gov; Brian Rosebrock@do.treas.gov; Gary Sutton@do.treas.gov; Mark Woodman@do.treas.gov  
**Subject:** New Draft of the Retail Swap Report

--Retail Swap R1 -- (12-05 Draft).doc -- 4:12:05 draft redlines.doc--

To the Retail Swap Study Group

Attached is a new draft of the retail swap report. One of the attachments is a clean document; the other shows changes made to the December 3 draft.

[(b)(5)]

Please send around any comments you have as soon as possible.

Also, for those who have not done it yet, please contact the interviewees for which your agency is responsible in order to determine that they agree

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11

**Nowy, Michael**

**From:** Nowy, Michael  
**Sent:** Thursday, July 12, 2001 4:29 PM  
**To:** Echner, Matthew  
**Cc:** Nowy, Michael  
**Subject:** RE: Rehab Sweeps Interviews

Does Norman have money, because it's not likely that Rudie will be able to cover an overnight for either of us unless we can somehow combine it with the other trip.

-----Original Message-----  
**From:** Echner, Matthew  
**Sent:** Thursday, July 12, 2001 3:54 PM  
**To:** Nowy, Michael; Norman, Vito  
**Subject:** Rehab Sweeps Interviews

Norman expressed this afternoon a clear preference that someone from the tax side be part of the interview, and said that he has told other participants in the process to expect two Treasury representatives. I would be equally happy to go or to defer if Michael (since Vito's away) has an interest. In any event, I guess we need to be sure travel funds are available if we wish to participate.

-----Original Message-----  
**From:** Carlson, Norman  
**Sent:** Wednesday, July 11, 2001 3:51 PM  
**To:** Norman, Vito; Nowy, Michael; Echner, Matthew  
**Subject:** RE: Interviews

They will most likely be on August 1 and 2 at the FBIHQ.

Echner.

**Nowy, Michael**

**From:** Nowy, Michael  
**To:** Nowy, Michael  
**Sent:** Monday, January 14, 2002 10:37 AM  
**Subject:** Rehab Contacts with Echner

Your message

**To:** Echner, Matthew  
**Cc:** Nowy, Michael  
**Subject:** RE: Contact with Echner  
**Sent:** 01/14/2002 10:37 AM

was read on 01/14/2002 10:37 AM.

[(b)(5)]

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[(b)(5)]

-----Original Message-----  
**From:** Norman, Vito  
**Sent:** Wednesday, July 11, 2001 3:15 PM  
**To:** Carlson, Norman  
**Subject:**

could you get us some more information on the where's and when's of the interviews?

**Novvy, Michael**

**From:** Novvy, Michael  
**To:** Novvy, Michael  
**Sent:** Tuesday, January 15, 2002 7:17 PM  
**Subject:** Read: Enron Investigations

Your message

**To:** Kath, John P  
**CC:** Hanson, Robert; Novvy, Michael  
**Subject:** The Enron Investigations  
**Sent:** 01/15/2002 7:17 PM

was read on 01/15/2002 7:17 PM.

**Novvy, Michael**

**From:** Novvy, Michael  
**Sent:** Monday, January 14, 2002 11:38 AM  
**To:** Hanson, Robert  
**CC:** Novvy, Michael  
**Subject:** Maybe: indirect contact through other Treasury employees

**Sensitivity:** Confidential

The multi-agency task for working on the retail swaps study met with Enron and several other market participants. The final version of the study refers to those meetings. For budgetary reasons, neither Matthew nor I was able to attend the meeting with Enron or the other dealers, but at least one of us would have participated if we had been able to do so. In any event, we contributed to the tax questions that were asked of all interviewed market participants (including Enron), and we participated in discussions of the responses of the interviewees (including Enron). Because Enron was the only interviewee with an interest in offering retail receipts, much of the discussion concerned its receipts and concerns.

**Nowy, Michael**

**From:** Nowy, Michael  
**Sent:** Monday, January 14, 2002 10:27 AM  
**To:** Echner, Matthew  
**Cc:** Nowy, Michael  
**Subject:** RE: Contacts with Enron

Do you suppose that it was possible Enron exposure that temporary got the White House people uplight about the tax appendix?

-----Original Message-----

**From:** Echon, Matthew  
**Sent:** Monday, January 14, 2002 12:49 AM  
**To:** Nowy, Michael  
**Subject:** RE: Contacts with Enron

maybe it's good we couldn't come up with the money to go to the seap study meeting in NYC. Other than that, I'm not aware of anything.

-----Original Message-----

**From:** Gerwin, Geroline  
**Sent:** Monday, January 14, 2002 12:46 AM  
**To:** Aulin, Gerald; Bortolin, Charles D.; Israel, David; Caron, Curtis; Echner, Matthew; Johnson, Craig; Kautner, Michael; Melke, James E.; Nelson, Susan  
**Subject:** Contacts with Enron

We need to advise Mark regarding the date of any meetings with Enron and tax issues discussed. Thanks.

**Nowy, Michael**

**From:** Nowy, Michael  
**Sent:** Tuesday, January 15, 2002 7:17 PM  
**To:** Kelly, John P.  
**Cc:** Hanson, Robert; Nowy, Michael  
**Subject:** Yes: Enron Investigations

John, this is a preliminary response. I'll start going through my files to check for actual records.

[(b)(5)]



CLASSIFIED ADS

**Novoy, Michael**

From: abajournalreport@ABANET.ORG  
Sent: Friday, January 18, 2002 2:29 PM  
To: ABA\_JOURNAL\_GROUP@MAIL.ABANET.ORG  
Subject: Civil rights protections at risk

<http://www.abanet.org/journalreport/cols/02report1.txt>

<http://www.abanetlaw.com>

**Friday, Jan. 18, 2002**

[abajournalreport@abanel.org](mailto:abajournalreport@abanel.org) [abajournalreport@abanel.org](mailto:abajournalreport@abanel.org)

**IN THE NEWS**

**CIVIL RIGHTS AND REGULATIONS** <http://www.abanet.org/journalreport/11/leviston.htm>  
Activists fear two recent rulings will narrow civil rights protections.

**DO NOT DELETE** <http://www.abanet.org/journalreport/11/benson.htm>  
When a client asks about destroying documents, warning bells should go off for lawyers. The issue is getting attention since allegations surfaced that Arthur Andersen's in-house lawyer gave the OK to pitch Enron documents.

**SEOC CAN OVERRIDE ADR** <http://www.abanet.org/journalreport/11/ash.htm>  
The U.S. Supreme Court has taken a detour from its line of record-protection rulings.

**ARGENTINA'S FOREIGN INVESTORS UNITE** <http://www.abanet.org/journalreport/11/targan.htm>  
A New York law firm will represent holders of Argentine bonds who are seeking a good deal in a future debt restructuring.

**FINGERPRINT FRACAS** <http://www.abanet.org/journalreport/11/crims.htm>  
A federal judge in Philadelphia has berated experts from testifying about whether a crime-scene fingerprint matches a defendant's print.

**OPENING KID-ABUSE HEARINGS** <http://www.abanet.org/journalreport/11/child.htm>  
Some child advocates question Minnesota's decision to open up hearings on juvenile abuse and neglect.

**IS THE LEX ON THEIR SIDE?** <http://www.abanet.org/journalreport/11/lex.htm>  
LexisNexis Group is fighting for the exclusive right to use the Latin term for law.

**FEATURES**

**WHAT'S SACRED ON TEMPLE GROUNDS?** <http://www.abanet.org/journalreport/11/actu.htm>  
The ACLU is challenging restrictions on speech at a plaza the Mormon church bought from Salt Lake City.

**ETHICS**

**LATE FEES** <http://www.abanet.org/journalreport/11/fees.htm>  
A District of Columbia ethics opinion says lawyers may charge interest on existing clients' late payments if certain safeguards are followed.

**KANSAS COURT DISCIPLINES PROSECUTOR FOR UNETHICAL TACTICS** <http://www.abanet.org/journalreport/11/ethics.htm>  
Inappropriate comments lead to discipline and retirement for a county attorney.

**YOUR ABA**

**SALES PITCH** <http://www.abanet.org/journalreport/11/abob.htm>  
The ABA Standing Committee on Solo and Small Firm Practitioners seeks an ethics rule change to allow lawyers to sell their practices in increments.

**HUMOR**

**THE RIDDIM** <http://www.abanet.org/journalreport/11/troddi.htm>  
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