



Dear President,

During your presidential campaign, you asked me a favor as a campaign supporter and as an old college friend. You were premiering your new healthcare plan, where corporations that gave better employee healthcare benefits were given stronger weight when bidding for government contracts. I managed to get the Board of Directors to agree to be your pilot program, and you reaped the political reward. I feel that our company's efforts played some role in getting you elected to the White House.

But the project was not without costs to our company. Our industry-leader healthcare benefits have given us record high levels of employee satisfaction, but it has been cutting into our profit margin. Before the election, we had been planning to construct a new industrial plant in Montana (for manufacturing parts for the new Coyote model of unmanned military drone). But the additional labor costs of having a factory in the States are making my Board nervous. They want to refurbish an old factory in Malaysia, where costs are cheaper.

I would like to convince them to keep the factory here in America, but I need some bone to throw the Board. We could drop the healthcare plan, though we feel that would be bad publicity for both the Cavendish Corporation and for your administration. As we were the pilot program for the healthcare plan, and got much press about it during the election season, abandoning the system now would be admitting your administration's policies have failed us. Similarly, if we choose to invest in other countries instead of the US, that is once again admitting failure of your policy. It's better for Cavendish, but worse for you. And as I am your personal friend, I don't want to hurt your political standing if I can avoid it.

There is one way the factory could remain in the United States. Currently, some environmental restrictions are making the construction project more costly than it would otherwise be. My advisor for environmental issues tried to explain it, but all I got out of it was that there were some federal conservation guidelines that were adding hundreds of thousands of dollars to the cost of the project. If those costs went away, then we could keep the plant in the States, bringing jobs and increased tax revenues to an area that really needs some economic improvement. The treehuggers in the conservation movement never need to know that these strictures were ever loosened, so everyone wins.

I hope that you'll consider this alternative, and get back to me soon. We'll have to move forward with this project sometime soon, whether you can get the EPA off my ass or not. There's only so long we can keep the stockholders waiting. Let me know what you can do to help my case, and while you're at it tell your family that I wish them well.

Yours,

Richard Cavendish
CEO, Cavendish Corporation