

THE WHITE HOUSE
WASHINGTON

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February 15, 1990

MEMORANDUM FOR GOVERNOR SUNUNU

FROM: CHASE UNTERMEYER
ASSISTANT TO THE PRESIDENT AND
DIRECTOR OF PRESIDENTIAL PERSONNEL

RE: Vacancies on Independent Regulatory Commissions

My staff is in various stages of making recommendations of candidates to fill vacancies on several Independent Regulatory Commissions. A brief background on the Commissions and a status report of where we are in the selection process follows:

UNITED STATES SENTENCING COMMISSION

The bipartisan U.S. Sentencing Commission is composed of seven members, three of whom must be federal judges. Presently, there are three vacancies. Of the four incumbents, two are federal judges. The President has nominated Julie Carnes, a Democrat, to be a member of the Commission. She is an Assistant United States Attorney in Georgia. Therefore, we must nominate at least one more judge to fill one of the remaining vacancies.

The Chief Justice, among others, has recommended that we fill the two vacancies with two judges, asserting that with four judges the Commission will have more respect among the judges who will be implementing the guidelines. It is a plausible argument.

Under current law, the President nominates judges to the Commission after considering a list of candidates submitted to him by the Judicial Conference, which is chaired by the Chief Justice. The three judges that are on or who have been on the Commission were on the Chief Justice's previous list. Nevertheless, the President is not legally bound to make his selection from this list.

The three candidates for the two remaining vacancies on the Commission are Judge Sam Hall, Judge David Mazzone and Mike Gelacek. Senators Biden and Thurmond are strongly supporting Gelacek. Judge Mazzone is on the Chief Justice's list and Judge Hall is a former member of the House Judiciary Committee, a conservative Democrat who worked on the legislation which created the Sentencing Commission.

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SECURITIES AND EXCHANGE COMMISSION

The Securities and Exchange Commission is composed of five commissioners. They are to be bipartisan, with one commissioner designated as Chairman. The current commissioners are Chairman Richard Breeden (R), Edward Fleischman (R), Philip Lochner, Jr. (R) and Mary Schapiro (I). The existing vacancy is for a non-Republican Commissioner.

Beveridge, Albert

Partner, Beveridge & Diamond (financial, securities & corporate law) ('74-pres.); Partner, Ginsburg, Feldman, & Bress ('68-'74); Dept. of Justice, Tax Division (appellate and trial sections) ('65-'68); Cleary, Gottlieb, Steen & Hamilton ('63-'65); extensive legal practice in corporate & securities matters; 54 yrs. old.

Supporters:

Sen. John Heinz
Sen. Nancy Kassebaum
Eugene Lawson
Carla Hills

Bradley, Michael

Prof. of Finance and Law, U of MI ('88-pres); Asst. & Assoc. Prof., School of Bus. Admin., U. of MI ('83-'87); GTE-Sylvania Materials Division, Market Research ('71-'73); Systems Engineer ('69-'71); extensive publications on Law & Econ.; Ph.D., Econ/Finance, U. of Chicago ('79); MBA, Syracuse ('73); approx. 42 yrs old.

Supporter:

Joseph Grundfest
(ex-SEC Commissioner - '86-'90)

Breedlove, James T.

Asst. Sec. & Sr. Asst. Genl. Counsel, Philip Morris Cos. ('86-pres.); Previous positions held at Philip Morris include: V.P. & Sec.; Asst. Genl Counsel; Corporate Counsel ('78-'86); Associate, Davis Polk & Wardwell ('75-'78); JD & MBA, Harvard ('75); Black; 43 years old.

Henderson, Erskine D.

Spec. Counsel, Skadden, Arps ('87-pres.); Associate, Skadden, Arps ('77-'87); Associate, Rein, Mound & Cotton ('76-'87); JD, Columbia Univ. ('76); Black; approx. 41 years old.

Supporter:

Bradley Holmes

Mendelsohn, Bruce S.

Partner, Akin, Grump, Strauss, Hauer & Feld ('83-pres.); SEC: Chief, Off. of Regulatory Policy (Investmt. Mgmt.) ('82-'85); Counsel to Comm. John Evans ('80-'82); Spec. Counsel, Off. of Disclosure (Finance) ('77-'79); Contributing Editors & Advisors, SEC Reg. Law Journal, Board; J.D., U. of MD ('77); 37 years old.

Supporters:

Jim Cicconi
Robert Strauss
Peter Teeley

Others considered:

Frankhauser, Mahlon
Goldstein, Frank

Chairman Breeden has visited with Beveridge, Breedlove and Mendelsohn, but has not indicated a favorite. Breedlove met with Secretary Brady Wednesday, and Treasury has told us he is acceptable.