

MEMORANDUM

March 27, 1986

TO: Governor

FROM: Gerry Thompson

You will remember the argument over who requested the urban versus non-urban AG letter of advice. IRD says they did not. AG's office says IRD did.

I had a meeting with Bill Gary, Bill Nessly, (AG's office), Bob Montgomery and Yvonne Addington. I clearly stated we needed to clear the air of any confusion because a reporter had picked up on the difference of opinion and was linking that to something manipulative. Here is how it shakes down.

January 6, at the request of IRD, Nessly issued a letter of advice that IRD was adopting a rule which appeared to be not consistent with the statute. IRD interpreted the letter of advice more strictly than they should have and continued on their course. When it became apparent through IRD committee deliberations that Eugene would not be funded, Eugene city attorney contacted the AG's office. They asked for a copy of the 1/6 letter of advice and requested clarification. Eugene knew they could not get advice from the AG and it was their position Bob Montgomery would not change his mind. The AG's office advised the city attorney to ask Bob Montgomery for clarification. Up to this point everybody agrees, except Montgomery believes the AG's office put the city of Eugene up to creating the conflict.

At this point Montgomery called Nessly and advised him the city of Eugene was wanting clarification and asked Nessly to review the situation.

Nessly interpreted this to mean further clarification and proceeded with developing the second letter of advice which does in fact further clarify the 1/6 letter of advice.

Montgomery agrees the second letter gave him exactly what he wanted, but disputes the action that it was not given him in the 1/6 letter. A gentlemen's agreement was reached -- no more finger pointing and any further press contacts would be answered in that further clarification was needed, there may be misunderstanding who requested but fact remains it had to be done for the good of the program and we were dealing with a very confusing statute which will require further clarification as we go along.

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Further point: it was determined that Montgomery had told Nessly he did not want a second letter of advice. Montgomery failed to pay attention and failed to bring that to the attention of his superior. Gary was most distressed with this added piece of information, yet Montgomery allowed the efforts to continue without questioning the issue.

I very clearly pointed out to Montgomery that if the AG's office is doing something that was neither requested nor wanted and he failed to get positive reaction, he was to notify this office immediately so that Gary and I could clear the air.