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#### THE WHITE HOUSE

WASHINGTON

## January 14, 1985

MEMORANDUM FOR FRED F. FIELDING

FROM:

JOHN G. ROBERTS

Inaugural Guidelines

SUBJECT:

Attached is what I hope will be a final version of the inaugural guidelines. As we discussed on Saturday, I have tightened up the portal-to-portal section (p. 4), and cleared up the confusing coordinators-escorts problem (p. 5).

I did not know what you wanted to do with the additional language I drafted in response to Socolar's request at our January 9 meeting. You will recall that language explained why the guidelines were necessary, stated that the guidelines would result in significantly reduced military assistance compared to that provided in 1981, and stressed the reciprocity cost-savings rationale. I think this language can be included in the preamble to the guidelines, and have inserted it at pages 2-3. (I omitted the numerical comparisons between 1981 and 1985.) If you disagree it can be readily deleted and issued as a separate document, or not issued at all.

Attachment

## 1985 PRESIDENTIAL INAUGURATION SUPPORT BY THE DEPARTMENT OF DEFENSE

This memorandum provides guidance regarding inaugural support activities by Department of Defense civilian and military personnel. The inauguration of the President is a non-partisan event that symbolizes the enduring values of our democratic system of government. It is planned by the Presidential Inaugural Committee (PIC) and the Joint Congressional Committee on Inaugural Ceremonies (JCCIC), committees with no political function and no mission other than the planning and execution of the inaugural.

The inauguration of the President has a unique meaning to the Armed Forces since it represents a change or continuation of command for the Commander-in-Chief. Additionally, it is an event rich in protocol and ceremonies -- areas in which the military has significant expertise. The Department, therefore, has traditionally provided a wide range of support to the PIC and the JCCIC in connection with the various inaugural activities. The Armed Forces Inaugural Committee (AFIC) plans, coordinates, and provides appropriate military support requested by the PIC and JCCIC. The AFIC is formed prior to the election to begin initial inaugural planning in an apolitical fashion and to develop a staff well versed in the full scope of inaugural requirements.

While it is impossible to codify every aspect of the support that may appropriately be rendered by the Department, given the complexity surrounding the planning and operation of the activities comprising the inaugural, the following guidelines attempt to deal with the most prominent areas in which military support may be rendered. Questions concerning military support that are not readily covered by these guidelines should be referred to PIC counsel, Headquarters, Department of the Army, and the Assistant Secretary of Defense (Public Affairs) for resolution.

These guidelines are necessary because of the failure of the Congress to respond to a 1983 opinion of the Comptroller General concerning military assistance for inaugural activities. That opinion concluded with a recommendation that Congress review such assistance and amend existing law either to conform with past practice known to and acquiesced in by Congress or expressly to prohibit practices for which it was difficult to ascertain specific statutory authority. Congress did neither, creating uncertainty with respect to what assistance was permitted and what was not. These guidelines represent a good faith effort to provide the necessary guidance.

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It is intended that the guidelines will result in significantly reduced military assistance compared with the 1981 Inaugural (which antedated, of course, the 1983 opinion). In addition, much of the assistance authorized under the guidelines will result in an actual cost savings to the AFIC. AFIC will benefit from reciprocal arrangements that permit, for example, military drivers to use PIC automobiles and fuel to transport AFIC personnel on official AFIC business. Without the reciprocal arrangement, AFIC would be required to use official vehicles and fuel paid for by appropriated funds. To cite another example of the reciprocity benefits, AFIC copy operators use PIC copying machines and paper to reproduce official AFIC material.

The guidelines anticipate limited military assistance. For example, when the military is authorized to coordinate the movement of groups participating in the parade, it is not intended that military transportation be used to move the group. Further, although military personnel may facilitate the orderly formation and progress of the parade, it is not intended that the military take charge of planning the parade. The role for the military recognized in the guidelines is one of limited assistance and support fully consistent with past practice and the special significance the inaugural holds for the military as the swearing-in of the Commander-in-Chief.

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## TRANSPORTATION

PIC cars driven by military personnel may be used for official purposes only and only by PIC, JCCIC, and AFIC members, and "Designated Inaugural Participants." The term "official purposes" means Inaugural Committee business. For example, transportation provided to and from Inaugural balls will be provided only to those qualified passengers who are working at the balls.

Transportation shall not be provided for purely personal purposes. Transportation from residence to work shall be provided only with the approval of the PIC Chairman. Approval shall be given only when inaugural responsibilities could not be met in the absence of such transportation.

"Designated Inaugural Participants" are those individuals who actually have a role in the official Inaugural events and have been designated by the PIC Chairman. Governors shall be considered Designated Inaugural Participants.

## MILITARY AIDES

Military Aides will be provided to assist members of the First and Second Families and the Designated Inaugural Participants to meet their Inaugural schedules and responsibilities. - 5 -

## MILITARY COORDINATORS

Members of the military may be assigned to coordinate the arrival and movement within the metropolitan area of the various groups participating in the inaugural events.

## CEREMONIAL UNITS

Members of the military will be assigned to coordinate the arrival, movement and departure of the President and/or the Vice President at the various inaugural events. These members of the military will also provide assistance to ensure the orderly conduct of events at which the President and/or Vice President are scheduled to appear. They will not be used for routine administrative duties such as ticket taking, parking cars, etc.

## MEDICAL SUPPORT

Medical units with appropriate personnel and supplies may be provided at official Inaugural events and at the Inaugural balls. Additionally, an aid station will provide emergency minor treatment and supplies for job related injuries and illnesses of the PIC staff.

## USHERS

Military personnel may be used as ushers only at the actual public swearing-in ceremony and at the Presidential Reviewing Stand.

## INAUGURAL PARADE

Military units will monitor and coordinate the parade for safety purposes, and will be used along the parade route. Security issues are to be directed to the Secret Service and Federal Bureau of Investigation. Military marching units may be authorized to participate in the parade. Military drivers, vehicles and equipment may be approved for use in the parade.

## PUBLIC RELATIONS

The military may provide public relations support consistent with the recording of its own role in the inaugural activities and with the recording of the ceremonies surrounding the swearing-in of the Commander-in-Chief.

## EQUIPMENT

Military equipment, including communications equipment, may be used as needed by the AFIC in the discharge of its responsibilities. Technical support and equipment, such as 2-way radios, cellular phones and beepers, may be provided to the PIC thru GSA if requested.

## ADMINISTRATIVE AND LIAISON

Military personnel may serve as members of the PIC staff to advise, assist, and inform on issues concerning military support of the inauguration. AFIC personnel may

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also perform financial review functions with respect to the activities of the PIC and AFIC. Military personnel may not be used by the PIC to perform routine administrative duties of the PIC, but assignment of military personnel to office functions such as copying and computer systems and systems analysis is authorized when such assignment provides a cost savings or more efficient operation to AFIC itself.



January 15, 1985

THE COMMITTEE FOR THE 50TH AMERICAN PRESIDENTIAL INAUGURAL

Washington, D.C. 20599

202/433-100

MEMORANDUM TO MICHAEL K. DEAVER, GENERAL CHAIRMAN RONALD H. WALKER, CHAIRMAN JOHN F. ROGERS, GENERAL MANAGER

FROM: FRED F. FIELDING GENERAL COUNSEL

SUBJECT: Guidelines - 1985 Presidential Inauguration Support by the Department of Defense

As you are aware, we have been meeting with the Department of Defense in order to work out guidelines governing the support that the DOD can appropriately provide to the Committee.

Attached is a copy of these guidelines, which have been implemented previously and are now reduced to writing.

We have had several meetings with the GAO as we formulated these guidelines, and I believe they will acknowledge this to be a good faith effort to accommodate the concerns they expressed about the 1981 Inaugural, in the absence of any legislative action.

Attachment

FFF:mbg
cc: Subj/Chron(2)

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It is intended that the guidelines will result in significantly reduced military assistance during the Inaugural celebration, compared with the 1981 Inaugural (which antedated, of course, the 1983 opinion).

The guidelines anticipate limited military assistance. For example, when the military is authorized to coordinate the movement of groups participating in the parade, it is not intended that military transportation be used to move the group. Further, although military personnel may facilitate the orderly formation and progress of the parade, it is not intended that the military take charge of planning the parade. The role for the military recognized in the guidelines is one of limited assistance and support fully consistent with past practice and the special significance the inaugural holds for the military as the swearing-in of the Commander-in-Chief.

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## February 22, 1985

## MEMORANDUM

TO: Mr. Barker

FROM: Mr. LaForce

## RE: Inaugural Committee -- Business Interruption Claim

This memorandum discusses the advisability/feasibility of filing a claim under' the Committee's business interruption policy for losses incurred by the Committee as a result of the cancellation of the Inaugural Parade. The facts are that cancellation was caused, at least in part, by a definite ascertainment that the cold was so severe that physical damage to musical instruments, animals, etc., would inevitably result, thereby compelling cancellation. This decision was made prior to any actual physical damage to the property, equipment and animals, but the evidence is compelling that such damage would have been inescapable. The ultimate question is whether, under this set of facts, recovery can be had under the business interruption policy.  $\frac{1}{2}$ 

The principal policy  $\frac{2}{}$  provision is Paragraph 6(1) of the policy which provides:

2/ A copy of the policy is attached.

<sup>1/</sup> It is noteworthy that our insurance broker, Johnson & Higgins, has informally opined that there is no coverage. Attached is a memorandum of a conversation between Kemp Harshman and a representative of Johnson & Higgins which occurred immediately preceding the decision to cancel. These items are noted to illustrate the probability that the Johnson & Higgins testimony/evidence will not be particularly helpful.

Except as hereinafter excluded this policy covers loss of anticipated gross revenues and extra expense incurred resulting from the necessary cancellation, postponement or abandonment beyond the control of the Insured of any of the scheduled events of The 50th American Presidential Inaugural and caused by loss, damage or destruction by any of the perils covered herein during the term of this policy to real and personal property of the Insured or of others at locations scheduled in Endorsement No. 1 of this policy. 3/

Additionally, the policy recites that insurance is being provided "against <u>all</u> risk of physical loss of or damage to property described herein, except as hereinafter excluded (Paragraph 7).  $\frac{4}{}$ 

A general principle of insurance law is that ambiguities are construed against the insurer, and doubts are resolved in favor of coverage. A representative statement of the rule was expressed in <u>Burdett Oxygen Co. v. Employers Surplus Lines Ins.</u> Co., 419 F.2d 247, 248-49 (6th Cir. 1969):

> [W]hen the wording of an insurance contract is doubtful or ambiguous, the contract is construed in a manner most favorable to the insured . . . [T]he purpose of the contract being to provide insurance coverage, an interpretation of doubtful terms which construes the language to provide such coverage tends to

3/ Endorsement No. 1 recites in pertinent part: "It is further agreed that for the purpose of this policy the bleachers and media/speaker platforms along the parade route of The 50th American Presidential Parade shall be considered an insured location herein."

<u>4</u>/ It is significant to contrast the broad, all-inclusive language of Paragraphs 6(1) and 7 with the more restrictive language employed in Paragraphs 6(5) and 6(6) which limits losses to those sustained when "as a <u>direct result</u> of a peril insured against" access is prohibited by civil or military order on ingress/egress with respect to the premises described in Endorsement No. 1 is prevented. effectuate the presumed good faith intent of the contracting parties.

This general principle has been adopted and applied by the District of Columbia courts. For example, in <u>Continental</u> <u>Cas. Co. v. Beelar</u>, 405 F.2d 377 (D.C.Cir. 1968), the court stated, in pertinent part:

> [A]mbiguities in insurance contracts are resolved favorably to the insured . . . and . . . if there are a number of reasonable readings of a policy provision, the insured is entitled to the one favoring coverage. [Id. at 378.]

Accord, Smith v. Indemnity Ins. Co. of North America, 318 F.2d 266, 269 (D.C.Cir.), cert. denied, 375 U.S. 904 (1963). 5/

Courts have permitted recovery under business interruption policies in the absence of actual physical damage. For example, in <u>Datatab, Inc. v. St. Paul Fire & Marine Ins. Co.</u>, 347 F. Supp. 36 (S.D.N.Y. 1972), a business interruption claim was filed for losses resulting to a data processing business when a flood forced a shutdown of the air conditioning in the building in which the business was housed, in turn forcing a shutdown of the data processing operation. There was no physical damage to the insured's air conditioning unit or to its data processing equipment; physical access to the insured's premises was not impeded; the water did not damage the insured's property or premises. The business interruption policy provided coverage when the premises where the property located was so damaged as to

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<sup>5/</sup> The interpretive presumption favoring the insured may be lessened in the instant case given the fact that the Committee was represented by an insurance broker.

prevent access to the property. Rejecting the insurer's argument that absent physical damage or impeding of access, no coverage obtained, the court found that the policy provided coverage, relying in part on the interpretive presumption favoring the insured.

In <u>National Children's Expositions Corp. v. Anchor Ins.</u> <u>Co.</u>, 279 F.2d 428 (2d Cir. 1960), the court, while denying coverage under the facts of that case, nonetheless found that business interruption coverage applied in the absence of physical damage in appropriate cases:

> It is true there might be liability in the absence of actual physical damage. For example, if the snowstorm resulted in a power shut-off which prevented the holding of the exposition in all or part of the building, there would be a loss within the terms of the policy. [Id. at 430.]

On the negative side, there are three District of Columbia rulings against insureds claiming business interruption coverage for losses incurred during the 1968 riots. These are <u>Mac's Pipe and Drum, Inc. v. Northern Ins. Co.</u>, 280 A.2d 308 (D.C. App. 1971), <u>Two Caesars Corp. v. Jefferson Ins. Co.</u>, 280 A.2d 305 (D.C. App. 1971) and <u>Bros., Inc. v. Liberty Mutual Fire</u> <u>Ins. Co.</u>, 268 A.2d 611 (D.C. App. 1970). In each case, the court ruled that loss of revenue resulting from the imposition of a curfew because of the riots was not recoverable under business interruption coverage absent physical damage to the insured's property or premises.

One distinguishing factor in each of these cases is that the court construed the insurance coverage to include only "direct" losses. Indeed, in the lead case (Bros., Inc. v. Liberty Mutual), the policy language recited that coverage extended only to a "direct loss," which was defined to mean a loss to described property. The court there construed the policy to restrict coverage to "direct loss by riot or civil commotion" or to "loss resulting from direct loss to the property from the perils insured against". In the instant case, the insuring provisions of the policy (Paragraphs 6(1) and 7) do not contain this "direct loss" limitation. As noted earlier, the insuring language of those provisions is, on its face, all-inclusive.  $\frac{6}{7}$ 

Another distinguishing factor is that in the curfew cases the disturbances were centered a considerable distance from the insured properties.  $\frac{7}{}$  Here, the factor causing cancellation of the event, the extreme cold, was immediately present and physical injury and damage would have definitely resulted if the Committee had insisted on staging the Parade.

## CONCLUSION

While the District of Columbia precedents are not helpful, these authorities would appear to be distinguishable, at least sufficiently so to warrant the filing of a claim. The

7/ This fact was specifically noted in the Bros., Inc. case.

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<sup>6/</sup> This line of authority was followed in <u>Adelman Laundry & Cleaners, Inc. v. Factory Ins. Ass'n</u>, 59 Wis. 2d 145, 207
N.W. 2d 646 (1973). The District of Columbia precedents were not followed by the Michigan intermediate appellate court, which ruled in favor of the insured. See, e.g., Southlanes Bowl, Inc.
v. Lumbermen's Mut. Ins. Co., 46 Mich. App. 758, 208 N.W. 2d 269
(1973); Sloan v. Phoenix of Hartford Ins. Co., 46 Mich. App. 46, 207 N.W. 2d 434 (1973). All of these cases involved business interruption claims based on damages resulting from a curfew.

language in the Committee's policy is broader, the threat of injury and damage to insured property more immediate, both of which factors support an interpretation of the policy which would afford coverage.

## The Committee for the 50th American Presidential Inaugural

## and its affiliated, subsidiary, and associated companies and/or corporations as now exist or may hereafter be constituted or acquired

## HEREINAFTER REFERRED TO AS THE "INSURED"

## 1. TERM OF INSURANCE

In consideration of \$8,000 premium, this policy attaches and covers for a period of 140 days, from November 12, 1984 to April 1, 1985, beginning and ending at 12:01 A.M. standard time, at the location of the property involved.

## 2. LIMITS OF LIABILITY

This Insurer shall not be liable for more than \$9,500,000 per occurrence.

## 3. DEDUCTIBLE

All losses, damages, or expenses arising out of any one occurrence shall be adjusted as one loss and from the amount of such adjusted loss shall be deducted the sum of \$25,000.

#### 4. LOSS PAYABLE

Loss, if any, shall be adjusted with and payable to The Committee for the 50th American Presidential Inaugural or their order.

#### TERRITORY

This policy covers within the 50 states comprising the United States of America, the District of Columbia, Puerto Rico, the Virgin Islands and Canada.

#### 6. COVERAGE

(1) Except as hereinafter excluded this policy covers loss of anticipated gross revenues and extra expense incurred resulting from the necessary cancellation, postponement or abandonment beyond the control of the Insured of any of the scheduled events of the 50th American Presidential Inaugural and caused by loss, damage or destruction by any of the perils covered herein during the term of this policy to real and personal property of the Insured or of others at locations scheduled in Endorsement No. 1 of this policy.

- 1 -

(2) If such loss occurs during the term of this policy, it shall be adjusted on the basis of ACTUAL LOSS SUSTAINED by the Insured consisting of the gross revenue which is thereby prevented from being earned less all charges and expenses which do not necessarily continue and of extra expense incurred.

"Extra expense" shall mean the excess of the total cost of the event chargeable to the 50th American Presidential Inaugural over and above the total cost that would normally have been incurred had no loss or damage occurred.

- (3) This policy also covers such expenses as are necessarily incurred for the purpose of reducing any loss under this policy, even though such expenses may exceed the amount by which the loss under this policy is thereby reduced.
- (4) This policy, subject to all provisions and without increasing the amount of said policy, also insures against loss resulting from damage to or destruction by the perils insured against, of:
  - (a) electrical, steam, gas, water, telephone, and other transmission lines and related plants, substations and equipment situated on or within one statute mile of the premises described in Endorsement No. 1;
  - (b) property of a supplier of goods and/or services to the Insured, or a receiver of goods and/or services from the Insured.
- (5) This policy is extended to cover the Actual Loss Sustained during the period of time, when, as a direct result of a peril insured against, access to real and personal property is prohibited by order of civil or military authority.
- (6) This policy is extended to cover the Actual Loss Sustained during the period of time, when as a direct result of a peril insured against ingress to or egress from and of the premises described in Endorsement No. 1 is thereby prevented.

## 7. PERILS INSURED AGAINST

This policy insures against all risk of physical loss of or damage to property described herein, except as hereinafter excluded.

## 8. PERILS EXCLUDED

This policy does not insure:

a. against electrical injury or disturbance to electrical appliances, devices, or wiring caused by electrical currents artificially generated unless loss or damage from a peril insured herein ensues and then this policy shall cover for such ensuing loss or damage;

- against mechanical breakdown unless loss or damage from a peril insured herein ensues and then this policy shall cover for such ensuing loss or damage;
- c. against explosion, rupture, or bursting of steam boilers, steam pipes, steam turbines, or steam engines owned or operated by the Insured unless loss or damage from a peril insured herein ensues and then this policy shall cover for such ensuing loss or damage;
- d. against nuclear reaction, nuclear radiation, or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate, or remote; or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy; except:
  - if fire ensues, liability is specifically assumed for direct loss by such ensuing fire but not including any loss due to nuclear reaction, nuclear radiation, or radioactive contamination;
  - (2) this Insurer shall be liable for loss or damage caused by sudden and accidental radioactive contamination including resultant radiation damage for each occurrence from material used or stored or from processes conducted on insured premises provided at the time of loss there is neither a nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction nor any new or used nuclear fuel on the insured premises;
- e. (1) against hostile or warlike action in time of peace or war, including action in hindering, combating, or defending against an actual, impending, or expected attack:
  - (a) by any government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval, or air forces;
  - (b) or by military, naval, or air forces;
  - (c) or by an agent of any such government, power, authority, or forces;
  - (2) against any weapon employing atomic fission;
  - (3) against rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating, or defending against such occurrence;

- (4) seizure or destruction by order of public authority, except destruction by order of public authority to prevent the spread of fire or explosion;
- (5) risks of contraband or illegal trade.

Notwithstanding the above provisions, e.(1), (2), (3), (4), and (5), this insurance shall cover loss or damage directly caused by acts committed by an agent of any government, party, or faction engaged in war, hostilities, or warlike operations, provided such agent is acting secretly and not in connection with any operation of armed forces (whether military, naval, or air forces) in the country where the property be construed to include any loss, damage, or expense caused by or resulting from any of the risks or perils excluded above, excepting only the acts of certain agents expressly covered herein, but in no event shall this insurance include any loss, damage, or expense caused by or resulting from any weapon of war employing atomic fission or radioactive force whether in time of peace or war.

## 9. EARTHQUAKE AND FLOOD

- a. Each loss by earthquake, volcanic action, or flood shall constitute a single loss hereunder.
  - If more than one earthquake shock or volcanic action occurs within any period of 72 hours during the term of this policy, the beginning of which 72-hour period may be determined by the Insured; or
  - (2) If any flood occurs within a period of the continued rising or overflow of any river(s) or stream(s) and the subsidence of same within the banks of such river(s) or stream(s); or
  - (3) If any flood results from any tidal wave or series of tidal waves caused by any one disturbance;

such earthquake shocks, volcanic action, or flood shall be deemed to be a single occurrence within the meaning of this policy.

- b. Should any time period referred to in "a" above extend beyond the expiration date of this policy and commence prior to expiration, this Insurer shall pay all such earthquake, volcanic action, or flood losses occurring during such period as if such period fell entirely within the term of this policy.
- c. This Insurer shall not be liable, however, for any loss caused by any earthquake shock, volcanic action, or flood occurring before the effective date and time or commencing after the expiration date and time of this policy.

#### 10. CONTRIBUTING INSURANCE

Contributing insurance is insurance written upon the same plan, terms, conditions, and provisions as those contained in this policy. This insurance shall contribute in accordance with the conditions of this policy only with other contributing insurance as defined.

#### 11. EXCESS INSURANCE

Excess insurance is insurance over the limit of liability set forth in this policy. This existence of such excess insurance shall not prejudice the coverage provided under this policy nor will it reduce any liability hereunder.

## 12. UNDERLYING INSURANCE

- a. Underlying insurance is insurance on all or any part of the deductible and against all or any of the perils covered by this policy including declarations of value to the carrier. The existence of such underlying insurance shall not prejudice or affect any recovery otherwise payable under this policy.
- b. If the limits of such underlying insurance exceed the deductible amount which would apply in the event of loss under this policy, then that portion which exceeds such a deductible amount shall be considered "other insurance."

## 13. OTHER INSURANCE

Except for insurance described by the contributing insurance clause, by the excess insurance clause, or by the underlying insurance clause, this policy shall not cover to the extent of any other insurance, whether prior or subsequent hereto in date, and whether directly or indirectly covering the same property against the same perils. This Insurer shall be liable for loss or damage only to the extent of that amount in excess of the amount recoverable from such other insurance.

#### 14. SUBROGATION

- a. Any release from liability entered into by the Insured prior to loss hereunder shall not affect this policy or the right of the Insured to recover hereunder. This right of subrogation against the Insured, subsidiaries or affiliated corporations or companies, or any other corporations or companies associated with the Insured through ownership or management is waived.
- b. In the event of any payment under this policy, this Insurer, where legally permitted and where loss payments under the primary insurance are not detrimentally affected, this Insurer shall be subrogated to the extent of such payment to all the Insured's rights of recovery therefor. The Insured shall execute all papers required

and shall do anything that may be necessary at the expense of the Insurer to secure such right. The Insurer will act in concert with all other interests concerned, i.e., the Insured and any other Insurer(s) participating in the payment of any loss as primary or excess insurers, in the exercise of such rights of recovery. If any amount is recovered as a result of such proceedings, the net amount recovered after deducting the cost of recovery shall be divided between the interests concerned in the proportion of their respective interests. If there should be no recovery, the expense of proceedings shall be borne proportionately by the interests instituting the proceedings.

## 15. ERRORS OR OMISSIONS

Any unintentional error or omission made by the Insured shall not void or impair the insurance hereunder provided the Insured reports such error or omission as soon as reasonably possible after discovery.

## 16. NOTICE OF LOSS

As soon as practicable after any loss or damage occurring under this policy is known to the Insured's home office insurance department, the Insured shall report such loss or damage with full particulars to:

> Johnson & Higgins of Washington, D.C., Inc. 2021 K Street, N.W., Suite 215 Washington, D.C. 20006

for transmission to the Company.

## 17. PROOF OF LOSS

It shall be necessary for the Insured to render a signed and sworn proof of loss to the Company or its appointed representative stating: the place, time, and cause of the loss, damage, or expense; the interest of the Insured and of all others; and the amount of loss, damage, or expense.

## 18. APPRAISAL

If the Insured and this Insurer fail to agree on the amount of loss, each, upon the written demand either of the Insured or of this Insurer made within 60 days after receipt of proof of loss by the Insurer, shall select a competent and disinterested umpire. If they should fail for 15 days to agree upon such umpire, then upon the request of the Insured or of this Insurer, such umpire shall be selected by a judge of a court of record in the appropriate jurisdiction in which such appraisal is pending. Then, at a reasonable time and place, the appraisers shall appraise the loss, stating separately the value at the time of loss and the amount of loss. If the appraisers fail to agree, they shall submit their differences to the umpire. An award in writing by any two shall determine the amount of loss. The Insured and this Insurer shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and of the umpire.

## 19. ASSISTANCE AND COOPERATION OF THE INSURED

The Insured shall cooperate with this Insurer and, upon this Insurer's request and expense, shall attend hearings and trials and shall assist in effecting settlements, in securing and giving evidence, in obtaining the attendance of witnesses, and in conducting suits.

### 20. PAYMENT OF LOSS

All adjusted claims shall be due and payable no later than 30 days after presentation and acceptance of proof of loss by this Insurer or its appointed representative.

#### 21. REINSTATEMENT

Any loss hereunder shall not reduce the amount of this policy.

## 22. SUIT AGAINST THE INSURER

No suit or action on this policy for the recovery of any claim shall be sustainable in any court of law or equity unless the Insured shall have fully complied with all the requirements of this policy. The Insurer agrees that any action of proceeding against it for recovery of any loss under this policy shall not be barred if commenced within the time prescribed therefor in the statutes of the State of New York.

## 23. CERTIFICATES OF INSURANCE

All parties to whom a certificate of insurance has been issued are automatically added to this policy upon issuance of said certificates, either as Additional Named Insureds or as Loss Payees, or both, in accordance with the terms and conditions of said certificates.

#### 24. CANCELLATION

a. This policy may be cancelled at any time at the request of the Insured or it may be cancelled by the Company by mailing to Insured by registered mail to:

The Committee for the 50th American Presidential Inaugural Washington, DC 20599

and to:

Johnson & Higgins of Washington, D.C., Inc. 2021 K Street, N.W., Suite 215 Washington, D.C. 20006 and to the Additional Named Insureds/Loss Payees indicated on the certificates of insurance issued during the term of this policy, written notice stating when, not less than 10 days thereafter, such cancellation shall be effective.

b. The mailing of notice as aforesaid shall be sufficient proof of notice and the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Insured or by the Company shall be equivalent to mailing.

## 25. EXTORTION

This insurance shall not be prejudiced by the refusal by the Insured to comply with any extortion demand.

### 26. FULL WAIVER

The terms and conditions of this form and endorsements attached thereto are substituted for those of the policy to which it is attached, all terms, conditions and endorsements of latter being waived.

## 27. TITLES OF PARAGRAPHS

The titles of the paragraphs of this form and of endorsements and supplemental contracts, if any, now or hereafter attached hereto are inserted solely for convenience of reference and shall not be deemed in any way to limit or affect the provisions to which they relate.

Attached to and forming part of Policy No. IMB 9313999 of the National Union Insurance Company.

Authorized Signature

011585.25

- 8 -

## Endorsement No. 1

It is hereby understood and agreed that the following locations are insured locations under the terms of this policy:

The White House 1600 Pennsylvania Avenue, N.W. Washington, DC

The Washington, D.C. Convention Center 900 Ninth Street, N.W. Washington, DC

The D.C. Armory 2001 East Capitol Street Washington, DC

The National Cathedral Wisconsin at Massachusetts Avenue Washington, DC

The U.S. Capitol Building Washington, DC

The Jefferson Memorial Washington, DC

The Washington Hilton Hotel Connecticut at T Street, N.W. Washington, DC

The Sheraton Washington Hotel 2660 Woodley Road, N.W. Washington, DC

The Shoreham Hotel 2500 Calvert Street, N.W. Washington, DC

The Smithsonian Air and Space Museum 7th Street at Independence Avenue, S.W. Washington, DC

The Kennedy Center Washington, DC

The Pension Building F Street, N.W. Washington, DC The DAR Constitution Hall 1776 D Street, N.W. Washington, DC

10

It is further agreed that for the purpose of this policy the bleachers and media/speaker platforms along the parade route of the 50th American Presidential Parade shall be considered an insured location herein.

Attached to and forming part of Policy No. IMB 9313999 of the National Union Insurance Company.

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THE COMMITTEE FOR THE **50TH AMERICAN** PRESIDENTIAL INAUGURAL

MEMORANDUM TO THE FILE

FROM:

SUBJECT:

KEMP HARSHMAN

Washington, D.C.

202/433-7100

20599

25

INSURANCE RAMIFICATIONS OF PARADE CANCELLATION

Today, I telephoned Paulo Carega of Johnson and Higgins Insurance Company at home to request information about the Committee's insurance coverage in the event of a cancellation of the Parade. I explained that I was at the Committee preparing for a meeting to be held imminently. (I called because no one had been able to locate a copy of the Business Interruption Policy). I stated that the reason for the discussions about Parade cancellation was the severe cold and inclement weather conditions. He said that participants would have medical coverage for any injuries and that "there was no insurance problem." I asked what he meant by that statement. Mr. Carega responded that the insurance would protect the Committee according to the terms of the policies.

I then asked if the Contingent Business Interruption Policy would apply to any lost revenue and profits that would result from Parade cancellation. It was his opinion that the policy was "contingent" and would only apply if there was property damage that forced a cancellation. He said that the policy was written for the Balls and Gala and was specific to the Convention Center and Ball sites. Mr. Carega said that the policy was not written to apply to cancellations due to weather conditions and that this was never discussed with the underwriters.

I told Mr. Carega that I would be attending a meeting with the Operations Division and said that we may call him by speaker phone for further consultation if necessary. No further calls were made.

January 20, 1985

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THE COMMITTEE FOR THE 50TH AMERICAN PRESIDENTIAL INAUGURAL

Washington, D.C. 20599

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202/433-7100

February 22, 1985

HAND DELIVER

Fred F. Fielding, Esq. Counsel to the President The White House -Washington, D.C. 20500 Re: Support Agreement Between DOD and PIC

Dear Fred:

I have tried to reach you several times to discuss the enclosed agreement which John Roberts has forward to me.

I find Article II, Section 1, reference to the Economy Act inapplicable and we have agreed not to recommend execution of this agreement to Ron Walker.

I would appreciate discussing this with you and would appreciate your giving me a call when you have a minute.

Sincerely yours,

Robert W. Barker

Enclosure cc: John Roberts, Esq. (w/o encl.)

t. e. s.



OFFICE OF THE COMMANDING GENERAL Headquarters U. S. Army Military District of Washington

19 Ven 85 Chairman, PIC Ron, next under in a support agreement upon which I'm requesting your signature. I had hoped very much to get it up to you earlier, but staffing requirements on both side slowed the process down too much . This agreement does not

represent an irretrievable commitment, but doer provide the



OFFICE OF THE COMMANDING GENERAL Headquarters U. S. Army Military District of Washington

Defense Department a legal bosis to provide invoice and request reimbursement. We'll provide separate invoice for different items to facilitate processing should any expenses requil negotiation. We've worked this with your staff. I understand they have no publem, with it. Last under in an informal listing of expenses



OFFICE OF THE COMMANDING GENERAL Headquarters U. S. Army Military District of Washington

We've identified so for. There will probably be several

additional items before we're

done.

Ib you have any question, please contact me. Atter signing, please have your stoff return a copy.

, Respectfully,

3 Chairman, AFIC

## 1985 Presidential Inauguration Support Agreement

## Between

## Department of Defense

## and

## The 1985 Presidential Inaugural Committee

## Article I Purpose

This support agreement establishes procedures and guidelines for the reimbursement of services and equipment provided by the Department of Defense (DOD) to the 1985 Presidential Inaugural Committee (PIC). The 1985 Presidential Inaugural Committee will use the services and equipment furnished in accordance with this agreement for the 1985 Presidential Inauguration in Washington, D.C. It is understood that reimbursement will be made for DOD support set out in Article IV, including support which has already been provided prior to the date of this agreement.

## Article II Authority

1. This agreement is' entered into pursuant to the Economy Act (31 USC 1535), 10 USC 2667, and with applicable Federal Procurement Regulations.

Presidential Inaugural Ceremonies Act, 30 USC 721-730 and
 USC 2543.

3. DOD Directive 4000.19, Basic Policies and Principles for Interservice, Interdepartmental and Interagency support.

4. The 1985 Presidential Inauguration Support by the Department of Defense, Guidelines (seventh draft).

5. Memorandum for Secretary of Defense from DOD General Counsel and ASD (PA) 30 Nov 84, defining the PIC as an instrumentality of the United States for the purposes of the Economy Act.

## Article III Procedures

The Department of Defense will:

1. Provide equipment and services, in response to a request from the PIC or support provided with the knowledge of the PIC, in accordance with authorities listed in Article II above. Nothing in this agreement mandates DOD to grant approval to all requests for support received from the PIC.

2. Provide to PIC an itemized list of estimated costs of all support provided.

3. Provide financial cost accounting and selected management information data, as requested, to the PIC. Proper adjustments of any accounts containing advance payments shall be made on the basis of actual cost of equipment and services provided.

2

4. The DOD may waive any costs associated with the support provided, except for direct costs.

The 1985 Presidential Inaugural Committee will:

1. If time and circumstances permit, provide a written request for DOD support that describes their needs and explains why the support cannot be provided by the private sector.

2. Reimburse DOD for all services the PIC receives pursuant to this agreement, unless reimbursement is waived.

## Article IV Reimbursement Guidelines

 The DOD will not seek reimbursement of costs associated with:

a. Military ceremonial support to the inaugural ceremony, parade, and the inaugural balls/galas.

b. Medical and safety support provided under 10 USC
 2543.

2. The PIC will reimburse DOD costs of providing equipment and services not associated with a military function.

3

## Article V Effective Date

This support agreement shall become effective upon the date of approval of the last signatory below and shall apply retroactively to all DOD support.

Approved for the Department of Defense

allanta bv

date 18 Van 1985

Major General John L. Ballantyne Chairman, Armed Forces Inaugural Committee

Approved for the 1985 Presidential Inaugural Committee

by\_\_\_

date

Mr. Ron Walker Chairman, Presidential Inaugural Committee Currently known items for which PIC reimbursement is anticipated:

DESCRIPTION	COST
62 ea ¼T Jeeps	1,000.00
GSA vehicle lease	342.64
Portajohns (11620x60%)	6,972.00
Fence Posts (Picket) (566x60%)	339.60
Dumpster (525x60%)	315.00
Speakers	1,200.00
Scaffolding	152.00
Bullhorns	1,360.00
Entertainment Company (Belvoir)	31,427.00
Box lunches (Myer)	1,537.50
Box lunches (Andrews)	2,250.00
Box lunches (Bolling)	1,500.00
Box lunches (Comb. Medical Team)	UNK
TOTAL TO DATE	\$48,395.74

?

5 \$ 6,000

Additional items NOTE: This is not a bill. may be identified.

-iried. + White gloves Flyover

THE WHITE HOUSE

WASHINGTON

## April 11, 1985

MEMORANDUM FOR DIANNA G. HOLLAND

FROM:

1

JOHN G. ROBERTS

SUBJECT:

Request to Furnish Financial Information on 50th Inaugural to Accountants

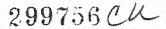
This item may be closed out. As I have discussed with Mr. Fielding, Bruce Soll is responding to the accountants' request.

Attachment

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A - Appropriate Action	I - Info Copy Only/No Ad	tion Necessary	A - Answered	C - Completed	
C - Comment/Recommendation D - Draft Response F - Furnish Fact Sheet	R - Direct Reply w/Copy S - For Signature X - Interim Reply		B · Non-Special Re	ferral S - Suspended	
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Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

5/81





THE COMMITTEE FOR THE 50TH AMERICAN PRESIDENTIAL INAUGURAL

Washington, D.C. 20599

202/433-7100

Fred F. Fielding, Esquire General Counsel Committee for the 50th American Presidential Inaugural The White House Washington, DC 20500

Dear Fred:

Our auditors are performing an examination of our financial statements. Please furnish to them the information requested below involving matters as to which you have been engaged and to which you have devoted substantive attention on behalf of the Committee for the 50th American Presidential Inaugural (Committee) in the form of legal consultation or representation. Please provide the information requested below taking into consideration matters that existed at February 28, 1985 and for the period from that date to the date of your response. Your response should be sent to our auditors, Peat, Marwick, Mitchell & Co. 1990 K Street. N.W.

Washington, D.C. 20001

Pending or Threatened Litigation (excluding unasserted claims and assessments)

Please furnish to our auditors a list of all litigation, claims, and assessments (excluding unasserted claims and assessments) considered by Management to be mutual. Information regarding each case should include:

- 1. The nature of the litigation,
- 2. The progress of the case to date,
- 3. How management is responding or intends to respond to the litigation; e.g. to contest the case vigorously or to seek out-of-court settlement, and
- 4. An evaluation of the likelihood of an unfavorable outcome and an estimate, if one can be made, of the amount or range or potential loss.

March 11, 1985

Fred F. Fielding March 11, 1985 Page 2 of 2

Unasserted Claims and Assessments

Please furnish a list of all unasserted claims and assessments considered by the Committee to be probable of assertion and, if asserted, to have at least a reasonable possibility of an unfavorable outcome. Information regarding each case should include:

- 1. The nature of the matter,
- 2. How management intends to respond if the claim is asserted, and
- 3. The possible exposure if the claim is asserted.

We understand that whenever, in the course of performing legal services for us with respect to a matter recognized to involve an unasserted claim or assessment which may call for financial statement disclosure, you have formed a professional conclusion that we should disclose or consider disclosing such possible claim or assessment, as a matter of professional responsibility to us you will so advise us and will consult with us concerning the question of such disclosure and the applicable requirements of <u>Statement of Financial Accounting Standards No. 5</u>. Please specifically confirm to our auditors that our understanding is correct.

We have assured our auditors that your list of unasserted claims and assessments includes all such claims and assessments that you have advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5.

#### Other Matters

Please identify the nature and reasons for any limitation on vour response. The scheduled completion date of the auditors' examination is such that you should send your letter to Peat, Marwick, Mitchell & Co., on or about March 15, 1985.

Very truly yours,

- Cin that

Frederick G. Hale Chief Financial Officer

cc: Bruce Soll