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THE WHITE HOUSE
WASHINGTON

file

March 28, 1984

MEMORANDUM FOR JIM BAKER
MIKE DEEVER ✓

FROM: MIKE McMANUS *MM*

SUBJECT: Advertising Agency Plan

Attached is the Advertising Agency Plan and budget for your review. The contract is presently being finalized by Ron Robinson at the Reagan-Bush Committee. It will include a cancellation provision, payment on the basis of work actually completed, and will conform to the attached budget. It will be available for your review if you so request.

ADVERTISING AGENCY PLAN

It is proposed that a media consulting corporation (the Corporation) be established to provide media consulting and related services to the Reagan-Bush '84 Committee (the Committee).

The Corporation, to be called the Tuesday Team, Inc. will be an independent commercial corporation, with a legal existence separate and distinct from the operations of the Committee. The directors of the Corporation will be James D. Travis of Della Femina, Travisano & Partners, Inc., Walter A. Carey Jr., of Leber, Katz Partners and Glenn J. Sedam Jr., an attorney in Washington, D.C. Mr. Travis will be the President and CEO of the Corporation; Mr. Carey will be the Executive Vice President and Treasurer of the Corporation, and Mr. Sedam will be the Secretary. The Corporation will hire and retain further officers, employees, staff and administrative support. None of the principals of the Corporation will hold any staff position with the Committee.

The Committee, through arms-length negotiations with the Corporation will enter into a contract with the Corporation to retain the Corporation to consult with the Committee regarding media strategy, and to create and furnish all media related services.

The Corporation will not be required to devote its full efforts to the Committee and will probably have other campaign contracts (e.g. the RNC for convention related media and documentary) and other candidates; and contracts with business entities. The Committee will have no interest in these other contracts.

Roger Ailes will be hired as a consultant to the Committee and Jim Lake. He will provide political/advertising liaison and oversight with the Corporation's creative process. He has agreed to give us two days a week and to be available on call for a third if we need him. Roger will be a part of the political strategy group as defined by Baker, Deaver and Rollins and will coordinate the communications of the strategy to the creative people. He will also help keep track of production and media costs and schedules.

Ed Rollins has suggested that the total advertising budget will be approximately \$25 million with \$3.5 million in the primary and \$21.5 in the general. He has also suggested the

need for approximately 35 ads to be produced. Based on these requirements, the Corporation budget would be approximately as follows:

PAYROLL

Exec./Acct. Mgmt.	\$ 370.2	
Creative	355.0	
Media	72.0	
Administration, Accounting, Research, Production	218.6	
	<hr/>	1,015.8

FACILITIES 266.5

MEDIA FEES 375.0

OPERATING EXPENSES 542.7

GRAND TOTAL \$ 2,200.0

PRODUCTION \$ 2,000.0

Based on these budget amounts, total payroll, facilities and operating expenses amount to 10.6% of the media time buy. This compares with 13.4% in 1972 and 8.7% in 1980 (1980 figures were for only three months of operation as compared with seven months for 1984). Production costs of 9.6% of the media time buy budget compare with 14.4% in 1972 and 15.9% in 1980. The savings in 1984 are due to using our high caliber creative people as producers and by savings from production houses willing to help at reduced prices. All of these numbers are estimates and may change substantially depending on additional requirements or changes which may be necessary.

We have attached additional financial information and a proposed contract between the campaign and the Corporation for your review. Jim Lake and I will assume the continuing responsibility to Baker and Deaver for this operation.

Based upon your review of the foregoing, may we proceed to set up the Tuesday Team and announce the agency.

_____ Approve _____ Disapprove

March 26, 1984

REAGAN-BUSH '84
ADVERTISING AGENCY
BUDGET RECAP
(\$000)

PAYROLL

Exec./Acct. Mgmt. \$ 370.2

Creative 355.0

Media 72.0

Administration, Accounting,
Research, Production 218.6

1,015.8

FACILITIES 266.5

MEDIA FEES 375.0

OPERATING EXPENSES 542.7

GRAND TOTAL \$ 2,200.0 10.6%

PRODUCTION \$ 2,000.0 9.6%

3/26/84

REAGAN-BUSH '84

MEDIA FEES
PLANNING/BUYING

(\$000)

	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>TOTAL</u>
<u>MEDIA FEES</u>	\$ 25.0	\$ 75.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 100.0	\$ 100.0	---	\$ 375.0

REAGAN-BUSH '84FACILITY EXPENSES

(\$000)

	<u>APR</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG</u>	<u>SEPT</u>	<u>OCT</u>	<u>NOV</u>	<u>TOTAL</u>
<u>NYC OFFICE*</u>	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 25.0	\$ 200.0
<u>FURN. RENTAL</u>	3.0	3.0	3.0	3.0	3.0	3.0	3.0	--	21.0
<u>APARTMENTS**</u>	6.0	6.0	6.0	6.0	6.0	6.0	6.0	--	42.0
<u>NYC/WAS</u>									
<u>AUTO LEASE</u>	.5	.5	.5	.5	.5	.5	.5	--	3.5
<u>WAS</u>									
	\$ 34.5	\$ 34.5	\$ 34.5	\$ 34.5	\$ 34.5	\$ 34.5	\$ 34.5	\$ 25.0	
								<u>TOTAL</u>	\$ 266.5

* 10,000 sq. ft. @ \$30/foot

** \$4,000/mo. - NYC
 2,000/mo. - WAS

REAGAN-BUSH
OPERATING EXPENSES
(\$000)

March 26, 1984

	<u>APRIL</u>	<u>MAY</u>	<u>JUNE</u>	<u>JULY</u>	<u>AUG.</u>	<u>SEPT.</u>	<u>OCT.</u>	<u>NOV.</u>	<u>TOTAL</u>
LOCAL TRAVEL	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$ 1.6	\$.8	\$ 12.0
O-T-T	16.3	16.5	16.5	16.5	16.5	16.4	16.3		115.0
HOTEL, ENT.	10.0	15.0	15.0	15.0	10.0	15.0	10.0		90.0
AUTO	1.5	1.5	1.5	1.4	1.4	1.4	1.3		10.0
TELEPHONE	6.4	7.4	6.4	7.4	6.4	7.4	6.6		48.0
POSTAGE	.5	.5	.6	.6	.6	.6	.6		4.0
SHIPPING	2.0	2.0	2.0	2.0	2.0	2.0	2.0		14.0
EQUIP. RENTAL	7.4	7.2	7.2	7.2	7.2	7.2	6.6		50.0
OFFICE EXP.	2.9	2.9	2.9	2.8	2.8	2.9	2.8		20.0
OFFICE MAINT.	.5	.5	.5	.5	.5	.5	.5		3.5
MOVING & STORAGE	.2	.3	.2	.3	.2	.3	.3		1.8
ART SUPPLIES	3.6	3.6	3.4	3.4	3.4	3.4	3.4		24.2
SUPPERS	2.0	2.0	2.0	2.0	4.0	4.0	4.0		20.0
INSURANCE	1.5	1.4	1.5	1.4	1.5	1.4	1.3		10.0
OUTSIDE RESEARCH	3.0	4.5			7.5				15.0
COMPETITIVE	3.0	3.0	3.0	3.0	3.0	3.0	2.0		20.0
LEGAL/CPA	2.0			1.0				2.0	5.0
TAXES	3.0	4.0	4.0	4.0	4.0	4.0	4.0	3.0	30.0
CONTINGENCY	<u>7.1</u>	<u>7.1</u>	<u>7.1</u>	<u>7.2</u>	<u>7.2</u>	<u>7.2</u>	<u>7.3</u>	<u> </u>	<u>50.2</u>
TOTAL	\$ 74.5	\$ 81.0	\$ 75.4	\$ 77.3	\$ 79.8	\$ 78.3	\$ 70.6	\$ 5.8	\$ 542.7

PRESERVATION COPY

REAGAN-BUSH '84EQUIPMENT RENTAL

<u>Quantity</u>	<u>Description</u>	<u>Monthly Cost Each</u>	<u>Total Monthly Cost</u>	<u># Mos.</u>	<u>Total Cost</u>
2	3/4" Videotape Player	675	1350	7	\$ 9,450
5	TV Monitor	412	2000	7	14,000
1	Telecopier	200	200	7	1,400
4	IBM Typewriter	75	300	7	2,100
3 2	Word Processor (Wang) Printer (Wang)		1395	7	9,765
1	Refrigerator	20	20	7	140
1	Xerox Machine (#1075)	1000	1000	8	8,000
1	IBM PC & Printer	575	575	8	4,600
PURCHASE 1 Shredder					545
<u>TOTAL: \$ 50,000</u>					

(lgrafsub xxx distinguished executives" ; pickup9thgraf: the day-to-day _ clarifying ailes was in '68 nixon campaign)

By IRA R. ALLEN

WASHINGTON (UPI) -- President Reagan's campaign Friday chose a group of "the brightest stars in the world of advertising" to create \$25 million worth of ads, mostly television commercials, for him this fall.

Patterned after President Nixon's successful 1972 "November Group," Reagan's "Tuesday Team," will be made up of leading ad men from Madison Avenue.

Political campaigns usually choose a single advertising agency or hire political consultants to make their ads, but because of financial risks for commercial ad firms and Reagan's desire not to use a political firm, the independent team was created, presidential communications assistant Michael McManus said.

With about \$40 million in public funds available to them for the November election, Reagan officials said they plan to spend about \$25 million on all forms of advertising, but most of it on television.

Formation of the group came late in the campaign year, partly because of discord within Reagan's camp over who to select. But with no primary opposition, the delay is not expected to hurt the advertising effort expected to begin airing commercials during the summer.

"The Tuesday Team has put together some of the brightest stars in the world of advertising," said campaign chairman Sen. Paul Laxalt, R-Nev.

"It is doubtful that any existing single agency has the talent to match the group they've assembled," he said. "The Tuesday Team has the benefit of the advertising industry's most distinguished executives."

Among those involved in the Tuesday Team are Philip Dusenberry, who created the "Pepsi Generation" advertisements, and Roger Ailes, who headed Nixon's television advertising effort in 1968.

The day-to-day manager will be James Travis, president of Della Femina, Travisano & Partners. Campaign officials had talked with his partner, Jerry Della Femina, about running the ad campaign last month.

Della Femina said he declined for financial reasons. But a White House source said Della Femina was rejected, in part because of an embarrassing interview he gave to Oui magazine in 1981.

Previously, the White House rejected its 1980 television consultant Peter Dailey, who had quit his job as ambassador to Ireland to return to the campaign. News reports attributed the decision to Nancy Reagan's displeasure with his work. A White House official said, however, the campaign wanted to move toward a more creative, and less political, style of advertising.

originally moved friday for sunday release

Campaign '84 moves to airwaves

By IRA R. ALLEN

WASHINGTON (UPI) In a campaign whose catchiest slogan comes from a negative commercial for a hamburger, it should be no surprise that negative advertising among the politicians themselves has started so early.

Political commercials became the central focus of last Wednesday's Democratic debate when Walter Mondale and Gary Hart accused each other's advertising of distorting the record.

Political commercials sell a candidate like a product. Like one famous product, they can be positive "You Deserve a Break Today." Or they can be negative "Where's the Beef?"

Whichever path is chosen, a politician's "paid media" is supposed to reinforce the positive values and minimize the negative values accorded him in the "free" news media.

When the Democrats and Republicans choose their presidential candidates this summer, each camp is expected to spend \$20 million on television commercials. The themes are already being tested in four generic ads one series for the Republicans, one for the Democrats, one for President Reagan and one against him.

The only element not yet in place, surprisingly, is Reagan's own campaign committee advertising team, which was selected just Friday after a months-long series of miscues in what was otherwise considered a top-notch political organization. The group, modeled after President Nixon's 1972 effort, is made up of "all-stars" from a variety of Madison Avenue agencies and dubbed "the Tuesday Team."

It is expected that Reagan's fall campaign ads will use extensive footage of his forthcoming trips to China and Europe, portray him being the president instead of a mere candidate and adopt Hart's road-tested "future" themes.

The Meese Factor

Perhaps the most sensational of the early ads was released last week by the Democratic Congressional Campaign Committee, which is supposed to help elect Democrats to the House.

But taking advantage of the investigation of Reagan aide Edwin Meese, the Democratic committee put out a devastating 30-second ad depicting only Republicans Reagan, Meese and seven others accused of wrongdoing. The ad's narration is not subtle: "More scandal-tainted officials than we've seen since Richard Nixon and Watergate. This is moral leadership? Vote Democratic."

The Republican National Committee has been on the air with the first in a \$4 million series of ads addressing what it believes to be a potential vulnerability young people, women and the upwardly mobile middle class that seems attracted to Democrat Hart.

One of the ads features an attractive young woman riding a bicycle for exercise. "The all new Democrat ideas and leadership," she says, are really "the same old empty promises that didn't work before and won't work now. They caused the problems we had four years ago." The printed slogan reads: "The Republicans. The future."

The RNC was enormously successful in 1980 with pre-primary ads attacking the Democrats, symbolized by a Tip O'Neill character in a

limousine running out of gas.

Democrats ignored the notion of party advertising to their dismay in 1980, but they are aware of its impact in 1984, says Democratic National Committee television consultant Robert Hirshfeld.

The DNC is now running four commercials that can be classified as negative.

Perhaps the most effective shows six previous presidents _ including Democratic nemesis Nixon _ signing arms control agreements with the Soviets, that is, "every president until now." The ad borrows for its slogan Reagan's own words on the deficit: "Act today to preserve tomorrow."

Reagan campaign aides suggested the arms control ad does not take into account the Soviets' unwillingness to bargain. One said the commercial could easily be countered by showing "a picture of a kidney dialysis machine," to represent the late Soviet leader Yuri Andropov.

more

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By IRA R. ALLEN

WASHINGTON (UPI) — Among the high-powered on Madison Avenue helping President Reagan's campaign are men who created the "Pepsi Generation" and Richard Nixon's successful 1968 television commercials.

After months of delay and internal bickering, Reagan's political advisers Friday named a team of advertising men to run a \$25 million campaign to sell the president to the nation's voters this summer through the November election.

Instead of relying as most campaigns do on a single advertising agency or political consulting firm, Reagan's advisers put together an independent "all-star" team of executives from a variety of well-known agencies.

One of the group's senior advisers is Phil Dusenberry, who created the "Pepsi Generation" commercials.

One consultant is Roger Ailes, executive producer of the Mike Douglas show and executive producer of Nixon's 1968 television campaign and presidential consultant after Nixon's election.

The executive vice president of the team is Walter Carey, whose accounts at the Leber Katz Partners firm include Campbell Soup and Pepperidge Farm.

Patterned after Nixon's 1972 independent ad agency known as "the November Group," Reagan's will be known as "the Tuesday Team."

Campaign chairman Sen. Paul Laxalt, R-Nev., said the team is composed of "the brightest stars in the world of advertising."

With no primary opposition, the delay in selecting an advertising team is not expected to hurt the campaign, which is expected to begin airing commercials during the summer.

The day-to-day manager is James Travis, president of a firm once considered in the running to handle Reagan's account alone. Della Femina once wrote a book about his advertising exploits, particularly for a Japanese electronics firm. He called the book, "From the Folks Who Brought You Pearl Harbor."

Campaign officials had talked with Della Femina, about running the ad campaign by himself last month. Della Femina said he declined for financial reasons. But a White House source said Della Femina was rejected, in part, because of an embarrassing interview he gave to Oui magazine in 1981.

Previously, the White House rejected its 1980 television consultant Peter Dailey, who had quit his job as ambassador to Ireland to return to the campaign. News reports attributed the decision to Nancy Reagan's displeasure with his work. A White House official said, however, the campaign wanted to move toward a more creative, less political style of advertising.

3/7/84

REAGAN-BUSH
SUMMARY OF EXPENSES

	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL
EXPENSES:											
PAYROLL:											
ACCOUNT MANA	38.5	64.3	67.8	69.1	72.4	72.5	71.1	72.9	24.8		553.4
CREATIVE	12.6	62.8	56.0	53.0	62.8	31.9	73.9	61.1	1.2		415.3
BRDCST, PRINT ADMIN, ACCTG, RESEARCH	14.0	19.0	33.1	26.8	27.9	28.0	27.1	23.1	15.7		214.7
TOTAL P/R	65.1	146.1	156.9	148.9	163.1	132.4	172.1	157.1	41.7		1,183.4
FACILITIES	36.2	36.2	36.2	36.2	36.2	36.2	36.2	36.2			289.6
OPERATING	47.1	71.4	72.2	73.8	73.9	74.3	76.3	76.0			565.0
TOTAL EXPENS	148.4	253.7	265.3	258.9	273.2	242.9	284.6	269.3	41.7		2,038.0 *

* EXCLUDES MEDIA PAYROLL, PLANNING AND BUYING FEES.

3/7/84

REAGAN-BUSH
PAYROLL EXPENSES
PROJECTED PAYROLL EXPENSE

	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL
PAYROLL:											
ACCOUNT MANAGEMENT	38.5	64.3	67.8	69.1	72.4	72.5	71.1	72.9	24.8		553.4
CREATIVE	12.6	62.8	56.0	53.0	62.8	31.9	73.9	61.1	1.2		415.3
BRDCST, PRINT, ADMIN, ACCTG, RESEARCH	14.0	19.0	33.1	26.8	27.9	28.0	27.1	23.1	15.7		214.7
TOTAL	65.1	146.1	156.9	148.9	163.1	132.4	172.1	157.1	41.7		1,183.4 *

* MEDIA DEPARTMENT PAYROLL NOT INCLUDED.
PROJECTED WITH WESTERN INTERNATIONAL
MEDIA, AS THE PLANNING AND BUYING UNIT.

3/7/84

REAGAN-BUSH '84
ACCOUNT MANAGEMENT
PROJ. PAYROLL EXPENSE

	ANNUAL BASE	@ PROJECT YEAR	% TIME	TOTAL PAY	MAR.	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL
DAYS					30.0	31.0	30.0	31.0	31.0	31.0	30.0	31.0	30.0	31.0	275.0
MANAGER	250.0	75.0	91.7	171.9	15.6	20.8	20.8	20.8	20.8	20.8	20.8	20.8	10.7		171.9
CONSULT	75.0	75.0	85.7	48.2	4.6	6.2	6.2	6.2	6.2	6.2	6.2	6.2			48.0
MS	100.0	75.0	91.5	68.6	6.2	8.3	8.3	8.3	8.3	8.3	8.3	8.4	4.2		68.6
AS	75.0	75.0	85.6	48.2	4.6	6.1	6.3	6.1	6.3	6.3	6.1	6.4			48.2
AS	75.0	75.0	81.1	45.6		6.1	6.3	6.1	6.3	6.3	6.1	6.5	1.9		45.6
AE	40.0	75.0	85.6	25.7	1.5	3.3	3.4	3.3	3.4	3.4	3.3	3.4	0.7		25.7
AE	40.0	75.0	81.1	24.3		3.3	3.4	3.3	3.4	3.4	3.3	3.4	0.8		24.3
AC	25.0	75.0	81.1	15.2		2.0	2.1	2.0	2.1	2.1	2.0	2.1	0.8		15.2
AC	25.0	75.0	48.0	9.0					2.1	2.2	2.0	2.2	0.5		9.0
EX SECT	35.9	75.0	92.4	24.9	3.0	2.9	3.0	2.9	3.0	3.0	2.9	3.0	1.2		24.9
EX SECT	35.9	75.0	92.4	24.9	3.0	2.9	3.0	2.9	3.0	3.0	2.9	3.0	1.2		24.9
SECTY #	29.9	75.0	81.1	18.2		2.4	2.5	2.4	2.5	2.5	2.4	2.5	1.0		18.2
SECTY #	29.9	75.0	70.0	15.7			2.5	2.4	2.5	2.5	2.4	2.5	0.9		15.7
SECTY #	29.9	75.0	58.9	13.2				2.4	2.5	2.5	2.4	2.5	0.9		13.2
TOTAL	866.5			553.4	38.5	64.3	67.8	69.1	72.4	72.5	71.1	72.9	24.8		553.4

3/7/84

REAGAN-BUSH '84
CREATIVE DEPT.
PROJECTED PAYROLL EXPENSE

ANNUAL BASE	% YEAR	PROJEC BASE	% TIME	TOTAL PAY	MAR.	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL
					31.0	30.0	31.0	30.0	31.0	31.0	30.0	31.0	30.0	31.0	
TEAM A:															
SR. AD	250.0	75.0	187.5	35.6	66.8	6.3	12.6	12.6	3.0	4.1	12.6	12.6			66.8
SR. W.	250.0	75.0	187.5	35.6	66.8	6.3	12.6	12.6	3.0	4.1	12.6	12.6			66.8
TEAM B:															
SR. AD	250.0	75.0	187.5	35.6	66.8		12.6	7.1	6.3	12.6	3.0	12.6	12.6		66.8
SR. W	250.0	75.0	187.5	35.6	66.8		12.6	7.1	6.3	12.6	3.0	12.6	12.6		66.8
TEAM C															
SR. AD	150.0	75.0	112.5	35.6	40.1		6.2	6.2	12.3		3.0				40.0
SR. W	150.0	75.0	112.5	35.6	40.1		6.2	6.2	12.3		3.0				40.0
TEAM D															
SR. AD	50.0	75.0	37.5	35.0	13.1		2.1	2.0		4.2	4.1	0.8			13.2
SR. W	50.0	75.0	37.5	35.0	13.1		2.1	2.0		4.2	4.1	0.8			13.2
COMP 1	25.0	75.0	18.8	40.6	7.6			1.0	1.0	2.1	2.0	1.5			7.6
COMP 2	25.0	75.0	18.8	24.6	4.6				1.0	1.0	1.3	1.3			4.6
BULLPEN 1	20.0	75.0	15.0	40.6	6.1			1.2	1.2	1.2	1.2	1.2			6.0
BULLPEN 2	20.0	75.0	15.0	24.6	3.7					1.2	1.2	1.3			3.7
SECTY	20.0	75.0	15.0	58.9	8.8			1.6	1.7	1.7	1.6	1.7	0.5		8.8
PROOFREAD	25.0	75.0	18.8	58.9	11.0			2.0	2.1	2.1	2.0	2.1	0.7		11.0
TOTAL	1535.0		1151.3		415.3	12.6	62.8	56.0	53.0	62.8	31.9	73.9	61.1	1.2	415.3

3/7/84

REAGAN-BUSH '84
BRDCSDT, PRINT, ADMIN., ACCTG. & RESEARCH
PROJECTED PAYROLL EXPENSE

ANNUAL BASE	% PROJEC YEAR BASE	% TIME	TOTAL PAY	MAR.	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL
BROADCAST														
PRODUCER	60.0	75.0	45.0	33.3	15.0	5.1	2.4	2.5	2.5	2.5				15.0
PRODUCER	60.0	75.0	45.0	33.3	15.0	5.1	2.4	2.5	2.5	2.5				15.0
ASST PROD	35.0	75.0	26.3	70.0	18.4	3.0	2.9	3.0	3.0	2.9	3.0	0.6		18.4
SECTY	20.0	75.0	15.0	100.0	15.0	1.7	1.6	1.7	1.7	1.7	1.7	1.6		15.0
PRINT PRO														
MANAGER	40.0	75.0	30.0	81.1	24.3	3.3	3.4	3.3	3.4	3.3	3.4	0.8		24.3
TRAFFIC	25.0	75.0	18.8	100.0	18.8	2.1	2.0	2.1	2.1	2.1	2.2	2.1		18.8
ADMIN. ASS														
ADMIN. ASS	30.0	75.0	22.5	81.1	18.2	2.4	2.5	2.4	2.5	2.4	2.5	1.0		18.2
MAIL ROOM	10.0	75.0	7.5	100.0	7.5	0.9	0.8	0.9	0.9	0.8	0.9	0.6		7.5
MESSENGER														
ACCTG:														
BILLING	30.0	75.0	22.5	100.0	22.5	2.5	2.5	2.5	2.5	2.4	2.6	2.6		22.5
ADMIN:	20.0	75.0	15.0	100.0	15.0	1.7	1.6	1.7	1.8	1.6	1.7	1.6		15.0
RESEARCH														
RESEARCH	60.0	75.0	45.0	100.0	45.0	5.1	4.9	5.1	5.1	4.9	5.1	4.8		45.0
GRAND TOT	390.0		292.5		214.7	14.0	19.0	33.1	26.8	27.9	28.0	27.1	23.1	214.7

3/7/84

REAGAN-BUSH
FACILITIES
EXPENSES

	MAR.	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.,	NOV.	DEC.	TOTAL
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FACILITIES:											
OFFICE RENTAL	29.2	29.2	29.2	29.2	29.2	29.2	29.2	29.2			233.6
FURNITURE RENTA	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0			16.0
APART.: N.Y & D.C.	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0			40.0
TOTAL FACILITIES EXPENSE	36.2	36.2	36.2	36.2	36.2	36.2	36.2	36.2			289.6

3/7/84

REAGAN-BUSH
OPERATING EXPENSES

	MAR.	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.	TOTAL
LOCAL TRAVEL	1.6	3.2	3.2	3.2	3.2	3.2	3.2	3.2			24.0
O-T-T	6.6	13.3	13.3	13.3	13.3	13.5	13.4	13.3			100.0
AUTO	1.1	1.2	1.2	1.3	1.3	1.3	1.3	1.3			10.0
HOTEL, MEALS,	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0			80.0
UNBILL. COST			1.0	2.0	2.0	2.0	4.0	4.0			15.0
TELEPHONE	3.2	6.4	6.4	6.4	6.4	6.4	6.4	6.4			48.0
POSTAGE		0.5	0.5	0.6	0.6	0.6	0.6	0.6			4.0
SHIPPING		1.0	1.0	1.2	1.2	1.2	1.2	1.2			8.0
EQUIP. RENTAL	6.4	6.4	6.2	6.2	6.2	6.2	6.2	6.2			50.0
COMPUTER:											
SPOT		5.0	5.0	5.0	5.0	5.0	5.0	5.0			35.0
PRINT		1.1	1.2	1.1	1.2	1.1	1.2	1.1			8.0
OFFICE EXP.	1.3	2.6	2.6	2.7	2.7	2.7	2.7	2.7			20.0
MOV. & STOR.	0.3	0.2	0.3	0.2	0.3	0.2	0.3	0.0			1.8
ART SUPPLIES	1.6	3.2	3.2	3.2	3.2	3.2	3.2	3.4			24.2
SUPPERS	2.1	4.2	4.2	4.3	4.3	4.3	4.3	4.3			32.0
INSUR.	1.2	1.3	1.2	1.3	1.2	1.3	1.2	1.3			10.0
MEDIA RES.:											
NEIL./TEL.	3.1	3.1	3.1	3.1	3.1	3.2	3.2	3.1			25.0
CLIPPING SE	1.1	1.1	1.1	1.1	1.1	1.2	1.2	1.1			9.0
RAD./TV REP	1.2	1.2	1.2	1.2	1.3	1.3	1.3	1.3			10.0
CONTINGENCY	6.3	6.4	6.3	6.4	6.3	6.4	6.4	6.5			51.0
TOTAL	47.1	71.4	72.2	73.8	73.9	74.3	76.3	76.0			565.0

Della Femina, Travisano & Partners Inc.

JAMES D. TRAVIS
PRESIDENT

March 8, 1984

Mr. Michael A. McManus, Jr.
Assistant to the President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mike:

I enjoyed our discussion yesterday and, as promised, have put some thought to projected payroll, facilities and operating expenses required in mounting an all-star Reagan-Bush '84 advertising team.

The attached projections that I've put out on our computer reflect costs in obtaining top creative, account management, broadcast and print production, research, accounting and administrative support for the duration of the campaign. No media planning or buying costs are included, as we would recommend utilizing the established Western International Media Buying Service to handle this important function. I am currently talking with Dennis Holt, President of WIM, about working out an equitable fee arrangement versus their standard 5% commission.

Worst case I would see Reagan-Bush '84 saving approximately \$1MM by setting up this all-star creative group and ad hoc agency, as opposed to going with an agency with a standard 15% commission.

However, the key in my way of thinking is not the dollar savings, but the quality of the creative product provided by the talent that we could corral for this important assignment. When you talk to agencies that are willing to handle the assignment, be sure to isolate that group of people who will be responsible for actually creating the advertising and the people who will manage the business. It doesn't matter how big or established the agency is -- the only thing you should care about is the dedication and talent of that team committed to the Reagan-Bush '84 reelection.

The idea of establishing an advisory/review board with people of Ed Ney's and Phil Dusenberry's stature is, I believe, very worthwhile because they can make a real contribution to the campaign strategy and creative executions.

Mr. Michael McManus, Jr.
March 8, 1984
Page Two

I'm sure you will have a number of questions about this preliminary budget, so please call. In the meantime, I have included a list of people in agency management and our clients who, hopefully, have heard of me.

Best regards,

A handwritten signature in cursive script, appearing to read "Jim". The signature is written in dark ink and is positioned to the right of the typed text "Best regards,".

JDT:lch

Attachments

AD HOC ADVERTISING AGENCY PLAN

We propose to establish Campaign 84 as a New York corporation with Jim Travis, Walt Carey and Glen Sadeem as Directors and Officers. This would be a totally independent corporation which would also do some additional business for the RNC/Convention, and perhaps another local campaign. The Corporation will hire all of the creative people, staff and necessary administrative support as well as an outside media and production support group. The Corporation will bill the campaign monthly for all related expenses. We will be advised by counsel as to how to schedule and allocate expenditures between primary and general campaign funds to avoid double billing.

Roger Ailes will be hired as a consultant to the campaign and Jim Lake. He will provide political/advertising liaison and oversight with the Corporation's creative process. He has agreed to give us two days a week and to be available on call for a third if we need him. Roger will be a part of the political strategy group as defined by Baker, Deaver and Rollins and will coordinate the communication of the strategy to the creative people. He will also help keep track of production and media costs and schedules.

Ed Rollins has suggested that the total advertising budget will be approximately \$25 million with \$3.5 million in the primary and \$21.5 in the general. He has also suggested the need for approximately 25 ads to be produced. Based on these requirements, the Corporation budget would be approximately as follows:

Payroll and Administrative Expenses

Management	\$395,900
Creative	355,000
Media Person & fee	415,000
Other admin	<u>194,000</u>

Facilities

Office space and apartment	\$267,400
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<u>Operating</u>	\$530,000
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\$2,157,300

Production

2,000,000
\$4,157,300

Based on these budget amounts, total payroll, facilities and operating expenses amount to 8.6% of the advertising budget. This compares with 13.4% in 1972 and 8.7% in 1980 (1980 figures

were for only three months of operation as compared with seven months for Campaign 84). Production costs of 8.2% of the advertising budget compare with 14.4% in 1972 and 15.9% in 1980. The savings in Campaign 84 is partially due to using our high caliber creative people as producers and by savings from production houses willing to help at reduced prices. All of these numbers are estimates and may change substantially depending on additional requirements or changes which may be necessary.

We have attached additional financial information and a proposed contract between the campaign and the Corporation for your review. Jim Lake and I will assume the continuing responsibility to Baker and Deaver for this operation.

Based upon your review of the foregoing, may we proceed to set up Campaign 84 and announce the agency.

_____ Approve

_____ Disapprove

BUDGET ALLOCATION
 REAGAN-BUSH '84 vs. CAMPAIGN 80
 (\$000)

	<u>REAGAN-BUSH '84</u>	<u>%</u>	<u>CAMPAIGN 80</u>	<u>%</u>
MEDIA	\$ 20,800	83.2	\$ 14,500	79.4
PRODUCTION	2,000	8.0	2,313	12.6
PROMOTION			198	1.1
GENERAL OPERATING EXPENSE	2,200*	8.8	1,265*	6.9
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	\$ 25,000	100.0 %	\$ 18,318	100.0%

*Reagan Bush '84 is a seven month operation wheras Campaign 80 existed for only three months.