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FAX COVER SHEET

TO: Petros Efthimiou

FAX #:

FROM: Michelle Ledger - Tad Devine

DATE: 1/24/00

PAGES: 10 , including cover

Nick asked that we fax this to you.



Proposal for the 2000 Elections in Greece

The purpose of this memorandum is to present a proposal for services for the upcoming election in Greece. This proposal is based on discussions during our meeting in our offices in Washington on December 3, 1999, and in our meetings in Athens on Saturday and Sunday, January 15 and 16, 2000.

Description of Services

Consulting Services

We are available to provide political consulting services similar to the services that we provide in the United States and elsewhere in the world. Specifically, we would work in the following areas in a Parliamentary campaign:

- ◆ *Formulating strategy based on research*

We can meet immediately with you to begin formulating strategy for the campaign, including assistance in designing polls and testing alternative arguments. Our partner, Mike Donilon, has served as pollster for President Fernando Enrique Cardoso of Brazil and President Jimmy Carter, and as strategist for President Bill Clinton. He has extensive experience in polling and in designing questionnaires here in the United States and in Europe, the Middle East, and South America. We would work with your local pollster to insure that the best arguments are developed and to search out the most persuasive language and images to lay the campaign's foundation now and to shape campaign communications on an ongoing basis.

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voice:

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| Strategy |
| and Media |

◆ *Development of thematic speeches*

We are ready to work closely with you in drafting speeches for Prime Minister Simitis especially the major "vision" speeches which we suggest in the next section of this memo. We can identify and maximize the effective use of persuasive language in these speeches both through the research and the production of drafts, which can then be translated for use by the Prime Minister. Our partner, Bob Shrum has been recognized as the leading speechwriter in the United States by numerous authorities including the Boston Globe which called him "the finest speechwriter in the last decade of American politics." Bob has worked on the last three State of the Union addresses for President Clinton, as well as numerous speeches for other world leaders including President Ernest Zedilo of Mexico, Irish Prime Minister Bertie Ahern, Israeli Prime Minister Ehud Barak and Colombian President Andres Pastrana.

◆ *Production of paid media*

We have the capacity to produce television and radio advertising either here in the United States or in Greece. We are prepared to work with your media team in Greece, in a collaboration similar to the one we created in Israel with the local Israeli team.

◆ *Media Monitoring and Rapid Response*

We can work with you to design a system to monitor the free media coverage of the campaign, and to respond rapidly to breaking events.

◆ *Free Media Message Delivery*

We can help to design and coordinate a campaign organization which will recognize and exploit opportunities to effectively deliver messages through the free media.

Message Development

Research Driven Strategy

As we discussed in our meetings we believe the message strategy for the Greek Parliamentary elections should be driven by research which must be conducted in the very near future. Specifically, we advise a large scale projective poll put into the field immediately with the questions formulated in a day long retreat in Athens. Through projective polling, we test various scenarios or models for the Simitis candidacy. And in addition to the basic model of the race, we would test a wide range of specific positioning issues to determine the most promising and compelling thematic terrain for message formulation.

The process of message development which we conduct for campaigns here in the United States and elsewhere around the world is predicated on the use of projective polling. In our meetings, we offered some preliminary thoughts on image and message development, including the use of the Simitis biography, the pivotal importance of the entry of Greece into the EMU and the risk associated with a change of leadership at this point in time. We believe projective research is the only way to refine arguments, word choices and assess likely impact in advance. We have seen throughout the world that a correct assessment of voter attitudes and projective prediction of voter response are key to a successful campaign. The primary purpose of polling is not to say who's ahead today, but to identify the themes, positions and motivations to assure that we win on election day.

There are obvious key issues which will undoubtedly play a central role in the upcoming election. Specifically the economy and unemployment, corruption and the need for "transparency" in government, are likely to be front-burner issues in the next election. We believe these and other important issues like the consequences of EMU participation must be identified in the research and shaped correctly they can provide both the strategic and substantive basis to re-elect the government.

Thematic Program

After the key issues have been identified, we would recommend outlining a thematic and specific program to deal with each of them. Each topic should lend itself to careful presentation in the form of a serious substantive speech by the Prime Minister in the weeks ahead. The set of speeches should be presented and seen as proof of Prime Minister Simitis's "vision" for the future of Greece.

It is important that the first Prime Minister of the next century run a campaign which focuses on the future not just the present or past. That's why we believe issues such as health care reform, housing and education can also be vital elements of a successful agenda for Prime Minister Simitis.

Whatever issue terrain and thematic is chosen, based on the research, we will almost certainly be able to contrast the proven record of performance of this government with the empty promises of the opposition. We should test various slogans which combine the issues of performance and the future.

Communications Strategy

Paid Television Advertisements

As we discussed in our recent meetings, we believe nothing is as powerful as paid television advertising, when it is of the quality and strategic focus which we routinely demand and produce here in the United States. We have seen the powerful effects of such television advertising in countries as diverse as Colombia, Brazil and Israel. We believe that a Greek Parliamentary campaign which relies on the kind of powerful television advertising that we deploy here in the United States could potentially overwhelm an opponent – especially if the other side played by the traditional rules, and if at least for a while, there was an opportunity for us to dominate the broadcast message. Our work in Israel for Prime Minister Barak demonstrates the power of this kind of quality media, where we moved to a clear and decisive lead after the first five days of

television advertising. Prime Minister Simitis might be able to establish an insurmountable lead in an election, which we may be able to control from beginning to end through carefully selected paid media focused on themes and issues that work to our advantage.

Free Media

We also believe that other broadcast forms—such as morning radio shows and television news coverage—offer superb venues of communication for candidates in Greece. We recommend a strategy which takes as full an advantage of those venues as finance, tradition, and the law allow. Philip Gould has extensive experience in shaping and developing a strategy to deliver a powerful free media message as his work for Prime Minister Blair and the British Labor Party so clearly demonstrates. And our recent experience in Ireland, where we helped craft a formidable free media message, demonstrates the power that a coordinated free media campaign can have with voters.

In Ireland, the free media coverage of our client was entirely different because we presented a modern television campaign worth covering, including daily visuals in exciting and dynamic venues in which the candidate was seen directly interacting with voters on a warm and human basis. This contrasted starkly with the then Prime Minister who kept his distance from the public, behind the podiums at staged events which had been the traditional venue for Irish politics. Essentially, our opponents ran the last campaign, and we ran the next campaign, the one crafted for the modern age of television. Daily visuals were enhanced by a disciplined message strategy, which was backed up by a detailed substantive platform which had been revealed to the voters in the weeks and months prior to the intensive three week window period for campaigning.

Our experience in Ireland also highlighted the central importance of using radio to project a message. In Ireland, we established a media-monitoring operation which on an hourly basis reported all leading news stories on the major radio stations in Dublin. We were then in position not only to respond to any attacks leveled by our opponents, but also to preemptorily immediately attack them on an hourly basis through the release of targeted

information to the free press. Our sophisticated radio-monitoring operation involved a coordinated system to develop daily and hourly talking points and share them with selected Party members who would appear on behalf of the Party on various radio programs throughout the day. Since they were scripted and entirely on message, the radio coverage became a powerful continuing tool to keep our opponents off balance as they were constantly put in the position of responding to our radio attacks during the three week election period. Finally, we implemented a mechanism for radio "actualities" for the first time in Irish political history, using the telephone to offer sound bytes of the party leader and candidates for local radio broadcast in a country with intense radio listenership.

We believe all these lessons including the rapid-response/preemptive attack mechanism for the radio broadcasts, the design of a visually oriented and thematic free media campaign targeted for television coverage, and a powerful mechanism to deliver radio actualities to a huge listening audience, are achievable in Greece under the right circumstances.

Coordination with the Local Team

We believe strongly in coordination with a local team. In order to have a successful ongoing operation, we need a principal contact person with whom we will work on an active basis throughout the next months. This central contact person should be part of the inner brain-trust of the campaign, someone who can closely work with us to exchange information and ideas on a routine basis. We would need a contact in charge of informing us constantly about breaking press stories, as well as an ongoing political report of what has happened and what is planned in the days and weeks ahead in terms of the Prime Minister's schedule; and other pertinent political activities around the country.

In addition to having a daily contact person on the ground in Greece, we need to work with a local team on research and media production. While we have the capacity to

produce media here in the United States, we believe it may be preferable to devise a system where film can be shot and edited in Greece as long as the facilities are able to produce the quality of advertising to which we have become accustomed in the campaigns we conduct here in the United States. We were able to achieve this level of quality control in Israel, and are hopeful we could do the same in Greece. In addition, we would work with your pollster in administering the survey research documents, which we help that to design and implement.

The ongoing working relationship would essentially have three components: a day-to-day political contact person; a Greek media production capacity; and a Greek research capacity. These points of contact put us to be in a position to devise strategy, respond to changing circumstances, and build a winning campaign.

Fees for Services

We propose two alternative payment schedules.

The principle difference will be the amount of time we spend in Greece during the campaign between and the election. Under both schedules, we believe that we need to maintain a constant presence in the country during the entire period after the election has been called.

We are prepared to make a major commitment to this race. We would develop a specific schedule of travel to Greece for each of the principles of this project (Philip Gould, Bob Shrum, Tad Devine, and Mike Donilon) which would result in our presence in Greece on a continuing basis between now and the election, with particular emphasis on the weeks immediately preceding the election.

Schedule A

Weekly presence by one of the consultants on the project (either Gould, Shrum, Devine or Donilon, depending on the nature of the work to be performed(e.g.- Donilon will coordinate the polling input)), from the time we are retained until the election.

Fee for Services: \$300,000/month

Schedule B

Meetings 2 times a month in Greece with one or more of the consultants until the election is called, and continuous presence of one or more of the consultants during the three week election period.

Fee for Services \$250,000/month

Expenses

We will be compensated for expenses incurred in the implementation of this agreement including any air travel to and from Greece, as well as telephone, fax and other appropriate charges. International air travel will be first class, and domestic travel business class. The expenses will be paid in the following manner: The representatives of Prime Minister Simitis will transfer \$25,000 (US) to Shrum, Devine, Donilon Inc. That amount will then be deposited in a separate expense account by Shrum, Devine, Donilon. The \$25,000 (US) in the account will be used exclusively for payment of expenses. We will estimate expenses on a monthly basis prior to incurring those expenses and provide cost estimates to the campaign. The account will be drawn down against expenses, and when that draw down reaches \$5,000 (US), the full amount of the account will then be replenished. All expenses which are drawn against this account will be documented and delivered to the representatives of Prime Minister Simitis on a monthly basis at the time that an invoice for consulting services is sent.

Conclusion

We are ready to develop this proposal in more detail so that it will most appropriately fit your needs including a detailed schedule of our trips to Greece between now and the election. We enjoyed the opportunity to meet with you in Washington and Athens. Please feel free to contact us should you have any questions; again, we are anxious to work out an agreement with you so that we can help Prime Minister Simitis win a decisive victory in the Greek Parliamentary elections.