

To: SEC Chairman Cox & the SEC Advisory Committee on Improvements to Financial Reporting
Treasury Secretary Paulson, the Treasury Advisory Committee on the Auditing Profession, & the Treasury Committee on Capital Markets Regulation

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**A NEW OPPORTUNITY AND NEW FOUNDATION FOR THE
INCOME STATEMENT FOR THE GLOBAL NEW ECONOMY:
LONG TERM CASH FLOW**

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1. Proposal: A New Income Statement Based on Long Term Cash Flow.

George May emphasized in his classic 1936 article "The Influence of Accounting on the Development of an Economy" that accounting rules "may, and sometimes must be changed as conditions change," because the rules "may greatly influence the development of the economy," "particularly" under "a system of free enterprise." *J. Accountancy* (1936), p. 13.

Conditions have changed profoundly, and at an accelerating pace, for the reasons and in the ways Peter Drucker details in *The Age of Discontinuity* (1968). After the "least change in three hundred years," the "foundations have shifted under our feet" he underscores, with the new reality, and opportunity, that, for the first time in human history, "knowledge has become the primary resource for individuals and for the economy overall" and there is a Global New Economy.

As a result, I respectfully suggest that there is an extraordinary opportunity and George May need to take financial reporting and the income statement in particular to the next level, with a new metric at its foundation using the extensive work of Prof. Alfred Rappaport:

Long Term Cash Flow.¹

Specifically, I suggest that this can and should be done promptly by the SEC in the U.S. using its existing rulemaking authority as it did earlier this year with respect to U.S. GAAP² in two ways:

First, have reporting companies present two income statements, using existing standards for a transition period and a second income statement based on long term cash flow as Prof. Rappaport has proposed (his "Corporate Performance Statement," and what is referred to here as the "Long Term Cash Flow Income Statement"),

Second, transition to the Long Term Cash Flow Income Statement ("Corporate Performance Statement") to replace the current U.S. GAAP income statement as Prof. Rappaport has also proposed.

As fortunate background, Long Term Cash Flow financial analysis, of course, is already widely used by many company executives and analysts.

It is also, of course, already included, in some form, in every financial statement and accounting standard in the U.S. and around world.

¹ Alfred Rappaport has developed this idea in much detail, and it is summarized in an attachment. See Rappaport, "The Economics of Short-Term Performance Obsession," 61:3 *Financial Analysts J.* (May 2005); "Beyond Quarterly Earnings-How to Improve Financial Reporting," *Wall St. J.* (March 8, 2004); "10 Ways to Create Shareholder Value," *Harvard Business Review* 66 (Sept. 2006); *Creating Shareholder Value* (1986); *Expectations Investing* (2001)(with Michael Mouboussin); "Show Me the Cash Flow," *Fortune* (Sept. 16, 2002); "Firms May Misstate Options to Heed the FASB Standards," *Wall St. J.* (Sept. 24, 2002); "How to Avoid the P/E Trap," *Wall St. J.* (March 10, 2003); "To Avoid a Tumble, Look for These Red Flags," *Wall St. J.* (Feb. 25, 2002); "Questions You Should Ask Yourself About Investing in Stocks," *Wall St. J.* (Feb. 28, 2005); "Getting Real About Retirement," *Wall St. J.* (Feb. 27, 2006). What follows is my application and interpretation of Prof. Rappaport's work, not his.

² The SEC's legal authority to so act was recently demonstrated. See Reilly & Scannell, "Foreign Affair: Is End Near For 'U.S. Only' Accounting?," *Wall St. J.* (June 21, 2007); Reilly & Scannell, "Global Accounting Effort Gains a Step," *Wall St. J.* (November 16, 2007).

Briefly, the new income statement based on long term cash flow developed in detail in various publications by Prof. Rappaport would require reporting companies to present their prospects of generating short term and long term cash flow in three sections. Of course, more detail would need to be developed and adopted by the SEC for the U.S., with input from the Treasury Department, the PCAOB, the Financial Accounting Standards Board (FASB), the International Accounting Standards Board (IASB) and others for the three sections:

(1) Operating Cash Flows. The first section would track operating cash flows, but would separate out accruals. Separating actual cash flows from accruals, which necessarily contain significantly variable assumptions about the future, would provide a baseline for estimating future cash flows and allows investors to evaluate whether accrual estimates are reasonable.

Making accruals separate and transparent also discourages companies from producing unrealistic estimates or engaging in outright fraud. It would not replace the traditional cash flow statement because it excludes cash flows from financing activities – new issues of stocks, stock buybacks, new borrowing, repayment of previous borrowing, and interest payments.

(2) Separate Accrual Estimates. The second section would present revenue and expense accruals, and would classify accruals into categories that reflect different levels of uncertainty.

The traditional income statement ignores the variability of possible outcomes, and assumes single-point estimates that ignore the wide variability of possible outcomes. Instead, the Long Term Cash Flow Income Statement would present optimistic and pessimistic estimates in addition to the most likely figure for each accrual.

For example, accruals for future collection of receivables and cost of sales for payment of suppliers ordinarily have relatively low levels of uncertainty. At the other end of the spectrum, estimating the cost of employee stock options requires speculative and complex long-term assumptions for such things as the life of the options, stock-price volatility and interest rates.

Thus, rather than a single-point estimate that ignores these wide variations in possible outcomes and often incomprehensible calculations, management would estimate three scenarios – most likely, optimistic, and pessimistic – for accruals of varying levels of uncertainty characterized by long cash-conversion cycles and wide ranges of plausible outcomes, such as employee stock options, pensions and retiree medical benefits.

For example, the *Wall Street Journal* reported that an 8.5% assumed rate of medical inflation versus a 12% assumed rate resulted in

estimates that differed by nearly \$30 billion for General Motors in 2003 (\$63 billion versus \$90 billion).³

(3) Management Discussion and Analysis. In the third section, management would present the company's business model, key performance indicators (both financial and nonfinancial, indicators, such as customer-retention rates, time to market for new products and quality improvements that drive value), and the critical assumptions supporting each accrual estimate, greatly enhanced and improved by using the highly sophisticated yet widely understandable tools developed in business schools and elsewhere focusing on how companies generate long term cash flow, covered in more detail next.

2. Management Discussion and Analysis Including Competitive Strategy Tools for Company Long Term Cash Flow.

As stated, the third section of the proposed income statement would take advantage of and include great advances that have been made in another discipline outside accounting, business strategy. Business strategy analyzes the prospects and opportunities for a company to generate cash flow over the near and long term. Moreover, these business methods of analysis are not passive, but are used to drive action that improves cash flow and prosperity over the long term for the company, its employees and affiliated companies, and thus investors, beyond the one year time horizon (or less) of current financial reporting.

Specifically, Prof. Rappaport suggests such powerful, widely-used and understandable business strategy tools as

- Michael Porter's Five Forces and Value Chain Analysis,
- Clayton Christensen's Disruptive Technology analysis, and
- Carl Shapiro and Hal Varian's Information Rules.⁴

More recently, Prof. Porter has developed and empirically applied a "Business Competitiveness Index" (BCI) to explain more than 80% of the differences between countries in GDP/capita, that is, cash flow per person.⁵ As a further interdisciplinary opportunity, I suggest the BCI can be adapted to provide an "index to action" for management, analysts, investors and, indeed, a wide variety of people who can take action to improve the long term cash flow prospects of companies, as well as their communities and countries.⁶

³ Hakim & Walsh. "The Real Consequences of Pension Projections," *Wall St. J.* (October 21, 2004); Steinbrink & Weller, "Volatile Accrual: What You Need to Know About FAS 106," *Mgmt. Rev.* (May 1993), pp. 51-52 (e.g., FASB 106 and GASB 45 estimates can vary on the order of 20% for each 1% change in the medical inflation rate). The actual annual medical inflation rate for employee health benefits has ranged between 1%, and 18%, over the last 20 years (see attachment).

⁴ See A. Rappaport, *Creating Shareholder Value* (1986), pp. 81-99; *Expectations Investing* (2001)(with Michael Mouboussin), pp. 51-66.

⁵ See M. Porter articles on the BCI in the *Global Competitiveness Report* (1998 and annually thereafter). The most recent article published last fall is available at <http://www.gcr.weforum.org/>, See also M. Porter chaps. 2-6 in Porter, Staudhammer, Stern & Weller, *Unique Value* (2004-05).

⁶ See, e.g., Weller, "Taking Control of Your Economic Future and Making Money in the Global New Economy" (manuscript available from the author).

The Long Term Cash Flow Income Statement it is suggested would be much more understandable to investors and many others than U.S. GAAP income statements, and would provide a new framework for action by many to solve or to address a number of major issues, including the following.

3. Auditing Profession Relief, and Sarbanes Oxley Act (SOX) Reform

“The Sarbanes-Oxley Act fail[s] to address the root cause of accounting scandals: a widespread obsession with earnings that drives companies to push accounting standards to the limit,” Prof. Rappaport has incisively pointed out.⁷ And in the words of PCAOB board member Charles D. Niemeier:

The most disturbing aspect of Enron and similar scandals was not that what was done was wrong, but that what was done was right. Enron did not ignore the rules and regulations, but instead took them and used them to achieve results that were never intended.

The inherent problem with accrued earnings was cogently explained by Peter Drucker:

We depend on cash flow because any second-year accounting student can manipulate a P&L. *Managing in the Next Society* (2002), p. 53.

This problem is solved by the Long Term Cash Flow Income Statement because it eliminates the root cause of the problem -- accrued earnings -- by separating cash flow from accruals.

For the auditing profession, Mr. Rappaport explains that the Long Term Cash Flow Income Statement (Corporate Performance Statement) would eliminate the need for and the dangers of the source of virtually all of the recent accounting scandals: the negotiations with auditors over accruals that accelerate revenue and delay expenses, the subject of most negotiations between auditors and their client companies.

Under accrual accounting, of course, companies are incented to look to accelerate revenue and delay expenses in order to report better earnings. Auditors are under great pressure and are vulnerable to bias, because, although they owe their first loyalty to shareholders, the reality is they also are eager to please their clients.

The Long Term Cash Flow Income Statement would eliminate the need for such negotiations by changing the key metric to cash flow. For accruals, the auditor's task would no longer be judging whether single-point estimates are reasonable, but instead would shift to evaluating management's three-level (optimistic, pessimistic and most likely) estimates for volatile accruals like pensions and retiree medical. As to cash flow, auditors would verify reported free cash flow by reviewing the company's internal controls and conduct substantive testing.

SOX Reform. Moreover, by eliminating the root cause of the accounting scandals (accrued earnings), it is possible and appropriate to reform SOX by both refining its focus, and by removing any ineffective and unnecessary burdens it imposes on the public and companies.

⁷ Rappaport, "Beyond Quarterly Earnings-How to Improve Financial Reporting," *Wall St. J.* (March 8, 2004).

In so doing, SOX reform can and should take advantage of an alternative to rules-based "command and control" government regulation, an alternative form of government regulation that, to date, has rarely been used by any government anywhere, and yet it is an alternative described as "perhaps *the* most important social invention mankind has yet achieved," explained next.

4. Greatly Improve Government Effectiveness by Moving From Rule-Based "Command and Control" Regulation to Principle-Based Modified Incentives

Prof. Charles Schultze, now at the Brookings Institution, both brilliantly diagnosed a recurrent problem with government regulation, and provided a cure, in *The Public Use of Private Interest* (1977).

"Our political system almost always chooses the command-and-control response," Prof. Schultze explains, since "we usually tend to see only one way of intervening," which is to "specify in minute detail the particular actions" desired and to "then command their performance."

Yet time and time again, he shows, command and control government regulation fails. Why? "Neither our imagination nor our commands are up to the task," he explains, because the underlying incentives driving the problem are not modified. As he elaborates:

[A]s a society we are going about the job in a systematically bad way that will not be mended simply by electing and appointing more competent public officials or doing better analysis of public programs. First, a satisfactory method of sorting out the frivolous from the important occasions for intervention has not been developed, and thus much social effort is spent to achieve such goals as having all fire extinguishers in industrial workplaces painted red. Second, we have a propensity to intervene in resource-allocation decisions in order to achieve equity and income-distribution goals that might better be handled by some form of tax or monetary-transfer arrangements. **Finally, and perhaps most important, we usually tend to see only one way of intervening -- namely, removing a set of the decisions from the decentralized and incentive-oriented private market and transferring them to the command-and-control techniques of government bureaucracy. With some exceptions, modifying the incentives of the private market is not considered a relevant alternative.** (Emphasis added).

He thus provides his breakthrough cure for government regulation to use instead what he calls "perhaps *the* most important social invention mankind has yet achieved."

What is it?

As the title of Prof. Schultze's book states, it is for government to modify private incentives to serve public interests, "creating incentives so that public goals become private interests," thereby "harnessing the 'base' motive of material self-interest to promote the common good." That is:

We ought to maximize the use of techniques that modify the structure of private incentives rather than those that rely on the command-and-control approach of centralized bureaucracies.

Thus SOX reform can be most effective, and at a lower cost to the public and to companies, by using this new approach, principle-based modified incentives.

By so doing, moreover, SOX reform may trigger a new birth of governmental effectiveness in the U.S. and elsewhere that deals with the “dangerous and insidious disease” Peter Drucker has identified all over the world, the “invisible cost of government” that imposes a “real cost in money and, even more, in capable people, their time, and their efforts.” *Innovation and Entrepreneurship* (1985). This “disease” needlessly limits the ability of people and companies to generate long term cash flow and thereby raise their standards of living.

Prof. Schultze’s modified private incentives approach to government regulation thus also presents the opportunity to start a systemic cure.

5. Ending the "Obsession With Quarterly Earnings" With a Long Term Focus

Adopting The Long Term Cash Flow Income Statement will drive a shift from the current obsession with quarterly earnings to a focus on a company’s long term cash flow and prosperity. It is widely recognized that there is an urgent need for companies, Wall Street, the media and others to shift from focusing on companies’ short term quarterly earnings to companies’ long term value and opportunities to generate positive cash flow. See, e.g., the positions of IBM, GE, PepsiCo, The Business Roundtable, and:

- Former SEC Chairman Bill Donaldson: “To state an obvious, but often-overlooked, fact – quarterly earnings do not reflect companies’ long-term viability,”
- Michael Porter: “The American system of allocating investment capital is threatening the competitiveness of American firms and the long-term growth of the national economy;” and we need, instead, to “give management a set of signals that are more aligned with the long-term health of companies instead of the current stock price.” M. Porter, *Capital Choices* (Council on Competitiveness 1992), p. 20; Lohr, “Fixing Corporate America’s Short-Term Mind-Set,” *N. Y. Times* (Sept. 2, 1992)
- CFA Institute & Business Roundtable: “Breaking the Short-Term Cycle” (July 2006);
- John Bogle, *The Battle for the Soul of Capitalism*: there are major threats to the “soul of capitalism” that the quarterly earnings obsession spawns, e.g.:
 - the change from “the wisdom of long-term investing to the folly of short term speculation,”
 - the very short time many mutual funds and other financial intermediaries now hold stock investments,
 - the increase in the share of total profits by all business in the U.S. of the financial services sector from 5% a few decades ago to over 30% today,
 - mutual fund managers taking “more than three-quarters of the future cumulative financial wealth produced by stocks over an investment lifetime ... leaving less than 25% for the investors.”

- "the grotesquely excessive compensation paid to chief executives."

As elaborated next, the Long Term Cash Flow Income Statement enables far more investors, and many others, to understand, and thus drive, a shift from quarterly earnings mathematics understood by the few, to long-term cash flow analysis, thinking and action that can be used by many.

6. Improving and Democratizing Financial Reporting for Action By Investors and Many Others

Current U.S. GAAP financial reporting and accounting, in the blunt words of the CEOs of six major accounting firms, "can produce financial statements that virtually no one understands."⁸ GAAP too often creates an impenetrable fog of mathematical computations and assumptions known to only a relative few. The short and long term ability of companies and working people to generate cash flow, however, is of critical importance to many.

The Long Term Cash Flow Income Statement would provide a major improvement for management, analysts and investors, and, importantly, many others, including working people and families, voters, politicians.

Why?

It consists of two elements that are understandable and actionable by many:

Cash Flow. Cash flow is something everybody can and does understand since it is basically the method of accounting virtually everybody lives with, day in and day out. They may not label it accounting, but more importantly, they live it.

Company Long Term Cash Flow Prospects. Having separated accruals from cash flow, the issue profoundly changes from the largely unknowable metrics used by the few to action metrics usable by many, and focusing on a company's cash flow prospects over the short and long term as explained earlier. As elaborated in Section 2 above, this business method of analysis is not passive but was developed to drive action that will improve long term cash flow and prosperity by people at a company, investors and analysts. It is also information that can be understood, and used, by many, including the new majority in the U.S. and, indeed, most countries – the Interactive Generation, explained next.

7. An Income Statement for the New Majority — The Interactive Generation

Unknown to many and undoubtedly surprising to many over 40, fortuitously the new majority in the United States, and indeed in most of the world, are people under 40 -- about 160 million people, already with more voting power than the Baby Boomers (nearly 90 million versus 75 million), and increasing in voting power and overall numbers about 4 million every year.

This new majority is profoundly different than Baby Boomers and many over 40.

Why?

Because they have been raised with interactive devices.

⁸ Samuel A. DiPiazza, David McDonnell, William G. Parrett, Mike D. Rake, Frans Samyn, and James S. Turley, Global Capital Markets and the Global Economy: A Vision from the CEOs of the International Audit Networks, 2006, www.globalpublicpolicysymposium.com/CEO_Vision.pdf.

The great news is that this “Interactive Generation” (my term), in the words of two scholars who have studied them extensively, is “better prepared to deal with the challenges of the future than any other workforce before them.”

As the *Economist* elaborates on the importance of just one of the interactive devices, electronic games (of all things): “Playing games is...an ideal form of preparation for the workplace of the 21st century,” because:

Games require players to construct hypotheses, solve problems, develop strategies, learn the rules of the in-game world through trial and error.⁹

As a result, the new majority, the Interactive Generation, is prepared to understand, use and demand Long Term Cash Flow Income Statements for analyzing and impacting the companies they invest in and work with, and to help drive financial system, SOX and many other needed reforms in health care and beyond (see the next two sections).

9. GASB 45’s \$2 Trillion+ Unfunded Retiree Medical Benefits Surprise for State and Local Governments: Three New Approaches

States and local governments are in the midst of a stunning surprise caused by a change in their accounting rules. Under GASB 45, states and local governments now must report an accrual estimate for their retiree medical liabilities, similar to FASB 106 for private companies.

The numbers are staggering: over \$2 trillion, most of which is unfunded.¹⁰

Where will the cash needed to pay retired teachers, fireman, policeman and others possibly come from, next year, and for decades to come?

Raising taxes on the rich and everybody else is not a realistic option, because the taxes would have to be much too high, and the cities and states would likely become “ghost towns” and “ghost states” as people and companies move elsewhere to escape the taxes. Benefit cutbacks? Government bankruptcies? All seem inevitable without new approaches and new ideas.

Fortunately, there are three new approaches based on The Long Term Cash Flow Income Statement.

First, as proposed here for private company accounting, GASB should be revised promptly to require three estimates rather than one for the highly volatile GASB 45 accrual estimates. Retiree medical estimates are highly volatile and variable depending on assumptions about future medical inflation in particular (see footnote 3).

Three estimates are also important because they change thinking from passive acceptance to action to search out and implement ways to achieve the lowest estimate and generate cash to pay the benefits, the other two approaches covered next.

⁹ John Beck & Mitchell Wade, *The Kids Are Alright: How The Gamer Generation Is Changing The Workplace* (2006); “Defending Video Games,” *The Economist* (Aug. 4, 2005).

¹⁰ See, e.g., Mincer, “Retiree Health Costs to Hit Government Employers,” *Wall St. J.* (Nov. 9, 2006); McMahon, “Accounting, Texas-Style,” *Wall St. J.* (May 29, 2007); Walsh, “Auditing Rule is Put at Risk by Texas Bill,” *N. Y. Times* (May 18, 2007), p. C1.

Second, state and local governments, their employees, retirees and taxpayers, as well as private companies and employees, voters, politicians and others can focus on the things that can be done with Long Term Cash Flow analysis to improve the prospects for local companies and working people to succeed and to generate the future cash flow needed (see Section 2).

Third, achieving the low estimates of future retiree health care costs leads to finding and taking action on another new opportunity, explained next.

9. New Solutions for Health Care With Potential Dollar Savings of 30%, and Better Patient Results

The Long Term Cash Flow Income Statement also focuses understanding and action on what needs to be done to have the cash flow needed to pay public and private health benefits now and in the future.¹¹

The challenge is stark. As Peter Orszag, the Director of the Congressional Budget Office (CBO), recently stated in unmistakable terms: “our country’s financial health will in fact be determined primarily by the growth rate of per capita health care costs.”¹²

In a *Wall Street Journal* article Dec. 12th, he reiterated this stark warning: “The nation’s economic outlook may look troubling in the short run, but these difficulties pale beside the economic consequences that will follow if we don’t address the nation’s long-term fiscal gap,” especially “the rate at which health-care costs grow.”¹³

In the same article, fortunately, he reports the great news that many have not heard: there is the “promising possibility of restraining health-care costs,” of doing so “without incurring adverse health consequences,” and, most surprising of all, saving on “perhaps 30% without harming quality.”

How?

For the first time in 70 years, there are new, essentially private incentive solutions for the nation’s health care cost problem, solutions that reflect Prof Schultze’s fundamental insight on the value and power of modifying private incentives for the public interest. Specifically, these new solutions are based on the central ideas of changing today’s predominant system that pays providers separately, and re-grouping thinking and payment incentives to providers by a patient’s disease system.¹⁴

¹¹ The problem of expected but unfunded future benefits is not limited to retiree health benefits, underscoring the need, and opportunity, to focus on companies and working people to generate long term cash flow. See Guerrero *et al.*, “US’s Triple-A Credit Rating ‘Under Threat,’” *Financial Times* (Jan 11, 2008), p. 1. On pensions, see, e.g., Walsh, “Pension Fund Shortages Create Hard Choices,” *N.Y. Times*, (Dec.19, 2007); Byrnes, “Sinkhole,” *Bus. Week* (June 18, 2005), p. 68. See also the 2007 Financial Report of the United States Government (\$53 trillion Federal shortfall; Kotlikoff, “Is the United States Bankrupt?,” *Fed. Reserve Bank St. Louis Rev.* 235 (July-Aug. 2006)(\$80 trillion unfunded liability for Medicare, Medicaid and Social Security); A. Kamenetz, *Debt Generation* (2006); W. Longman, *Born to Pay* (1987).

¹² Orszag, “The Challenge of Rising Health Care Costs – A View from the Congressional Budget Office,” *New England J. Medicine* (Nov. 1, 2007), p. 1793.

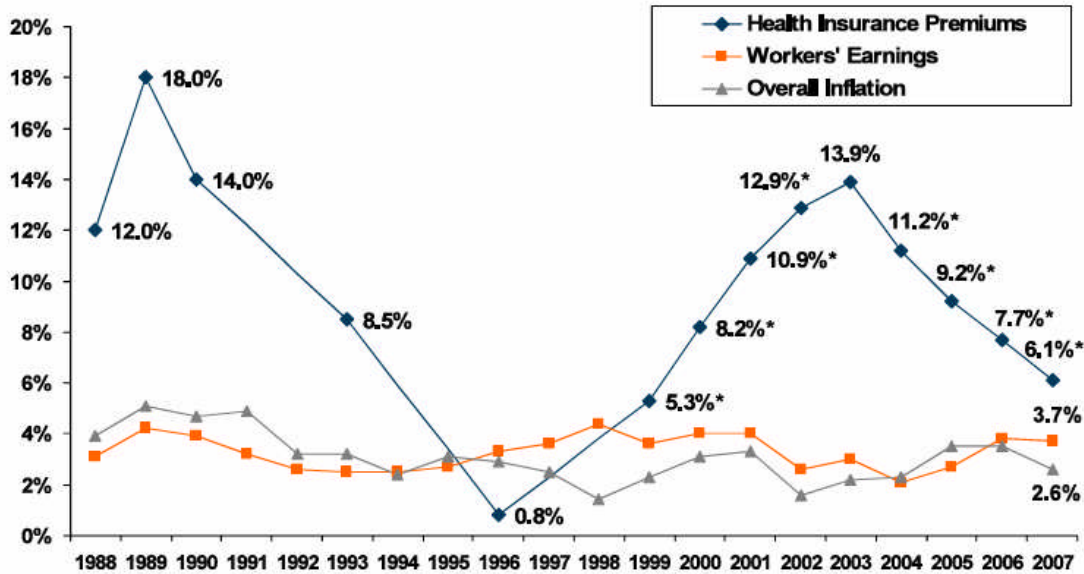
¹³ Orszag, “The Biggest Budget Buster,” *Wall St. J.* (Dec. 12, 2007).

¹⁴ See M. Porter & E. Teisberg, *Redefining Health Care* (2006)(I suggest they have developed the newest untried idea for health care in 70 years, and because it relies principally on market based innovation has enormous prospect for success). In the interest of full disclosure, their idea is what my company is about. See, e.g., Weller, “Science Teams By Disease When Ill,” chapter 9 in *Unique Value* (2004).

By making these simple yet profound changes, health care analysis and action fundamentally changes from health insurance, to health care, and furthermore, as a legal matter, these changes can be implemented, as a practical matter, nationwide, without any state insurance regulation or other government approval or action for about half of the people with health benefits in the U.S. Particularly new and potentially helpful are the Voluntary Benefit Associations (VEBAs) that are now emerging as a major new player in health care. These developments together create a new and extraordinary opportunity to seize the potential 30% savings and better care new solutions for health care present.

In conclusion, the Long Term Cash Flow Income Statement would as a technical matter provide the financial tools for management and investors, and many others as well, to greatly improve financial reporting, and as shown above, to act and take control of their economic future in new and significant ways.

Exhibit 1: Increases in Health Insurance Premiums Compared to Other Indicators, 1988-2007



*Estimate is statistically different from estimate for the previous year shown ($p < .05$). No statistical tests are conducted for years prior to 1999.

Note: Data on premium increases reflect the cost of health insurance premiums for a family of four. The average premium increase is weighted by covered workers.

Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 1999-2007; KPMG Survey of Employer-Sponsored Health Benefits, 1993, 1996; The Health Insurance Association of America (HIAA), 1988, 1989, 1990; Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation (April to April), 1988-2007; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 1988-2007 (April to April).



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Peace Corps Volunteer, Math and Physics Teacher, Malaysia, 1966-68;
Deputy Director Peace Corps Southern Region Recruiting, 1969-70

Patents Pending

Interoperable Health Care Information System, 180° Health Care Value System, K-99 Education and Employment System

Selected Publications

Michael Porter, Peter Staudhammer, Scott Stern & Charles Weller, *Unique Value* (2004-05), including Weller, "Science Teams By Disease When Ill," chapter 7, <http://www.atlasbooks.com/marktplc/01314.htm#reviews>

With Alain Enthoven, "Seven Keys to Health Care Delivery System Reform At Market Speed, Scope and Value Starting Now" (working draft)

"Free Choice as a Restraint of Trade in American Health Care Delivery and Insurance," 69 *Iowa L. Rev.* 1351 (1984) (Alain Enthoven wrote: "I felt as if I was discovering Beethoven's Fifth Symphony," "a searchlight that illuminates 50 years of history of the health care economy").