

APR 21 2009

The Honorable Frank R. Jimenez  
General Counsel and  
Designated Agency Ethics Official  
Office of the General Counsel  
Department of Navy  
1000 Navy Pentagon  
Washington DC 20350

Dear Mr. Jimenez:

The purpose of this letter is to describe the steps that I will take to avoid any actual or apparent conflict of interest in the event that I am confirmed for the position of Secretary of the Navy.

As required by 18 U.S.C. § 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests or those of any person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). I understand that the interests of the following persons are imputed to me: any spouse or minor child of mine; any general partner of a partnership in which I am a limited or general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

Within 90 days of my appointment, my spouse, my dependent children, and/or I will divest our financial interests in the following entities:

Amgen Inc.	AT&T Inc.
Chevron Corp.	Exxon Mobil Corp
General Electric Co.	Honeywell International Inc.
International Business Machines Corp.	Pactiv Corp
Pepsico Inc.	PPG Industries
Procter & Gamble Co.	Southern Co.
Sprint Nextel Corp	UnitedHealth Group Inc.
Verizon Communications	Wal-Mart Stores Inc.
Weatherford International Ltd.	Abbott Laboratories
Biogen Idec Inc.	Cisco Systems Inc.
Coca-Cola Co.	Johnson & Johnson
Home Depot	Qualcomm
Microsoft Corp.	Roche Holdings Ltd
Qwest Communications Intl.	Texas Instruments Inc.
Sears Holding Corp.	Berkshire Hathaway
Enersys Inc.	

Until my spouse, my dependent children, and I divest the financial holdings listed above, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of the above-listed entities, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). Where applicable, I will request a Certificate of Divestiture from the U.S. Office of Government Ethics. I understand that we must divest whether or not we receive a Certificate of Divestiture.

In addition, if any company in which my spouse, my dependent children, or I invest enters into a contract with the Department of Defense, I understand that we will be required to divest that interest. Where applicable, we will request a Certificate of Divestiture from the U.S. Office of Government Ethics. I understand that we must divest whether or not we receive a Certificate of Divestiture.

Within 90 days of my appointment, my spouse, my dependent children and/or I will divest our financial interests in the following sector-mutual funds:

Citigroup AAA II Energy Futures Fund LP  
Select Sector SPDR Energy  
Smith Barney Bristol Energy Fund LP

As to each of these funds, until I have completed the divestiture, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of any holding of the fund that is invested in the energy sector, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). Where applicable, we will request a Certificate of Divestiture from the U.S. Office of Government Ethics. I understand that we must divest whether or not we receive a Certificate of Divestiture.

Upon my appointment, I will resign my positions from each of the following organizations: RAND Center for Middle East Public Policy, Amideast, the Help and Hope Foundation, and Citizens International. I previously resigned from the following entities:

<b>Name</b>	<b>Date Resigned</b>
Hines Horticulture	Jan 09
Wincup Inc.	Dec 08
Piney Woods School	June 08
St. Andrew's Episcopal School	May 08
Thomas Engine	Aug 07

I do not hold a financial interest in any of these entities. For a period of two years from the date of appointment, I will not participate personally and substantially in any particular matter involving specific parties in which any of these entities is a party or represents a party, unless I am first authorized to participate pursuant to 5 C.F.R. § 2635.502(d) and section 3 of Executive Order 13490.

Upon my appointment, I will resign my positions with Strategic Partnerships, L.P., Fusion Telecommunications International, and Eggs Overnight. I will retain my financial interest in Strategic Partnerships, L.P. I will retain any warrants, vested stock options and stock that I hold in Fusion Telecommunications International at the time of my resignation. I will retain any vested stock options in Eggs Overnight. Upon resignation, I will forfeit any stock options in Fusion Telecommunications International and Eggs Overnight that are unvested at the time of my resignation. Because I will retain financial interests in these entities, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of any of these entities, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). In addition, for a period of two years from the date of appointment, I will not participate personally and substantially in any particular matter involving specific parties in which any of these entities is a party or represents a party, unless I am first authorized to participate pursuant to 5 C.F.R. § 2635.502(d) and section 3 of Executive Order 13490.

Upon my appointment, I will resign my position with Enersys, Inc. Under the Enersys, Inc. Equity Incentive Plan, I own 2,301 shares of unvested restricted stock in Enersys, Inc., which I am currently restricted from selling. Upon my resignation, Enersys Inc. will fully vest these shares before I assume the duties of the position of Secretary. As detailed above, I will divest all stock in Enersys, Inc., including these shares of unvested restricted stock, within 90 days of my appointment. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of this entity until I have divested it, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1), or qualify for a regulatory exemption, pursuant to 18 U.S.C. § 208(b)(2). In addition, for a period of two years from the date of appointment, I will not participate personally and substantially in any particular matter involving specific parties in which this entity is a party or represents a party, unless I am first authorized to participate pursuant to 5 C.F.R. § 2635.503(c) and section 3 of Executive Order 13490.

I may receive royalties from Mississippi Museum of Art for sales of one book. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the ability or willingness of Mississippi Museum of Art to honor its contractual obligations regarding these royalties, unless I first obtain a written waiver, pursuant to 18 U.S.C. § 208(b)(1).

I am the sole owner of 4,736.5 acres of timberland in Mississippi. I will continue to have a financial interest in this property, but I will not manage it or provide any other services to it other than to perform required ministerial functions such as signing any required timber deeds. Instead, I will receive only passive investment income from it. I will retain a professional forester to manage the land and negotiate any sales of timber. I will not negotiate individual sales, except to the extent that I establish general guidelines for sale in advance when I initially retain the forester. I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interests in this timberland, unless I first obtain a written waiver pursuant to 18 U.S.C. § 208(b)(1).

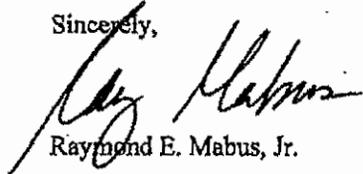
I am the managing member of REM Strategies, LLC. The business is currently inactive. During my appointment to the position of Secretary, the business will remain dormant and will

not advertise. I will not perform any services for the business, except that I will comply with any requirements involving legal filings, taxes and fees that are necessary to maintain the business while it is in an inactive status. As Secretary, I will not participate personally and substantially in any particular matter that has a direct and predictable effect on the financial interests of REM Strategies, LLC.

My spouse is currently an employee of Millsaps College. I will not participate personally and substantially in any particular matter involving specific parties in which Millsaps College is a party or represents a party, unless I am first authorized to participate, pursuant to 5 C.F.R. § 2635.502(d).

Finally, I understand that as an appointee I am required to sign the Ethics Pledge (Exec. Order No. 13490) and that I will be bound by the requirements and restrictions therein in addition to the commitments I have made in this and any other ethics agreement.

Sincerely,

A handwritten signature in black ink, appearing to read "Ray Mabus", written over the typed name.

Raymond E. Mabus, Jr.