



ASSOCIATED INDUSTRIES OF MASSACHUSETTS

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TESTIMONY BEFORE THE FEDERAL RESERVE BANK

**IN SUPPORT OF THE PROPOSED MERGER
OF BANKBOSTON AND FLEET FINANCIAL GROUP**

RICHARD C. LORD

July 7, 1999



ASSOCIATED INDUSTRIES OF MASSACHUSETTS

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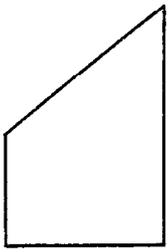
Associated Industries of Massachusetts (A.I.M.) is pleased to have this opportunity to express its support for the proposed merger of BankBoston and Fleet Financial Group, a matter of the greatest importance to the economy and business climate of our state. A.I.M. is the Commonwealth's principal statewide employer organization, representing some 5,300 businesses and nonprofit entities across Massachusetts, engaged in virtually every economic sector. This merger represents an important positive step to assure that Massachusetts and New England businesses will benefit from a banking system that offers both the stable financial resources and the increasingly sophisticated banking services that are essential to success in the modern economy.

In the first years of this decade, when the New England banking system was in turmoil, A.I.M. member companies consistently reported serious difficulties in obtaining bank loans. We have heard few if any reports of such lack of access to capital for more than five years now. BankBoston and Fleet have been the leaders, along with a group of outstanding community banks, not only in restoring the financial stability of our regional banking system, but also in re-establishing and greatly extending the range of banking services available to local companies. The proposed merger is vital because it will safeguard those gains.

The banking needs of many companies, large and small, are increasingly complex. Today's commercial and industrial customers often require access, not only to a larger financial base, but also to more specialized expertise in particular industries or financial practices, and to broader geographic reach, national and international. An obvious example is the extent to which international dealings, once primarily the sphere of our largest manufacturing concerns, has become important to other types of companies. Many new high-tech startup companies produce advanced products for specialized worldwide markets; an increasing number of our "traditional" industrial firms are exporting vigorously; and of course services now account for a large proportion of Massachusetts exports.

As the consolidation of American and global banking continues, the threat facing Massachusetts businesses is not lack of competition in banking. The contenders exist, and they will be here. The danger is, rather, that our region will be a sideshow or a backwater in the competition, our companies entirely dependent for key services upon outside entities barely responsive to our limited market power, their attention focused on struggles for dominance elsewhere. Our members believe that it is highly desirable to retain a major bank that is firmly committed to our region, that understands our issues, interests and industries — a regional champion in the world of banking. This merger is our best hope of achieving that goal.

Finally, I want to mention a point of particular importance from our perspective at A.I.M.: the essential leadership within the broader business community that has been provided by BankBoston and Fleet. Their leadership, in fields ranging from philanthropy to support of education reform to engagement with public issues, has grown increasingly important as other local "franchises" — newspapers, department stores, even utilities — have disappeared or been absorbed into national organizations. This merger is vital to the maintenance of a strong economy in Massachusetts and New England because it will preserve and strengthen a key source of leadership in the business community.



SCOTT

ASSOCIATES · CONSULTANTS, INC.

RUTH SCOTT

CHIEF EXECUTIVE OFFIC

July 7, 1999

To The Honorable Members of the Board of Governors of the Federal Reserve, Boston Region

From Dr. Ruth Scott, President, CEO of Scott Associates Consulting, Inc.
and Member FIAB

Regarding The Proposed merger of Fleet Financial and BankBoston

I am present to speak in favor of the merger. Both institutions have strengths which will only enhance the ability of the new corporation Fleet Boston to remain financially strong and thus meet the demands of market place and serve its customer base.

Those of us engaged in financial product development and monitoring have known for the last twenty years that the financial market place would be redesigned with fewer players as we enter the Twenty-First Century. Banking organizations which merge strength with strength will be the ones to survive the competition with each other and the competition from less regulated financial entities that have suddenly discovered the "ordinary customer".

I have come to the conclusion of favoring this merger of two strong institutions from the vantage point of my thirty years of professional and volunteer experience in neighborhood redevelopment, community reinvestment, work in building community development collaborations and professional relationships with Fleet Financial as they have worked through the merger and market challenges. Fleet Financial has maintained its commitment

to small and midsize customers. With each reinvention of the corporate structure, that

commitment by CEO Terry Murray has grown stronger.

Let me share with you the high points of my thirty year involvement with the general subject of this hearing and my decade of experience with Fleet. You may say that CRA is only twenty-one years old. That is true. In the early seventies, I was president of the board of directors of National Neighbors, the group whose redlining studies was the impetus for the Community Reinvestment Act. In the eighties, I served as Corporate Secretary and CRA

Officer for Rochester Community Savings Bank. In addition, my company, Scott Associates has spent the last decade in providing both banks, and community organizations with strategies for collaboration and the meeting of CRA objectives. Furthermore, I spent more than a decade as board member and then chair of the National League of Cities Economic Development Steering committee.

My experiences with Fleet include membership on the INCITY Board since its inception in 1994; consultant to Community Development Department in strategy and the training of Community Development staff in developing effective CRA strategies. Along with other organizational consulting activities for banking organizations across the country Scott Associates was the chief consultant and designer of the CRA Symposium, 20/20 Vision held in Washington, in 1998 DC sponsored by Fleet Community Development under the able leadership of Agnes Bundy Scanlan, Managing Director of Corporate Community Development.

Observing Fleet Financial through its several mergers, I cannot help but conclude the Fleet Financial with its Chairman and CEO Terry Murray has been among an elite group of the most consistently committed banking organizations in the country to

community development and the LMI customer. Fleet consistently engages itself in knowing and satisfying the customer in a quality way aligned with its mission and profitability.

This formula for success as a corporation and a community citizen has been reaffirmed in the announcements regarding the merger of BankBoston and Fleet Financial. More than the

dollar amounts spent in the past (more than 8.4 billion), Fleet has committed itself to capacity building and collaboration. This strategy securely ties future viability of the corporation to the viability of the community and customers served. It down plays simple dollars and emphasizes leverage.

Recent example of leveraging which has been replicated throughout the Fleet marketplace is Fleet's support of The Frederick Douglass Community Development Corporation spun off a faith based organization in the city of Rochester, New York. Fleet's initial investment of \$5,000 grew to Fleet's investment of \$100,000 in grants,

\$360,000 in construction financing and mortgages for single family first home owners.

Fleet's commitment leveraged more than a half million

dollars in grants from other banks and private sources , one million dollars in local government investment and a three million dollar investment from HUD.

The same kind of collaborations supported the 20 /20 Vision Symposium. Included with Fleet are the Neighborhood Reinvestment Corporation, the National Urban League, Local Initiatives Support Corporation and Fannie Mae.

As I have consulted with and observed financial institutions, there are three principles

which Fleet Financial exhibits which underscores future success and market commitment.

They are

- A solid, stated and Active commitment to Community Building**
- A mission engaged understanding of the changing landscape and its imperative to merge and to collaborate with like minded corporations**
- A solid organizational profit base which allows for the keeping of commitments**

The Fleet Financial/BankBoston merger would be a solid and secure step towards a future which continues to be committed to community building across the spectrum of financial need and opportunity. I would urge you to confirm the merger and secure the future financial success of communities across the marketplace where their shadow falls.

Respectfully Submitted

Dr. Ruth H. Scott, CEO Scott Associates Consulting, Inc.

Testimony Submitted By:

Manuel Mirabal
President & CEO
National Puerto Rican Coalition, Inc

To:

Federal Reserve Board
Public Meeting, July 7, 1999
Boston, Massachusetts

Thank you for providing me the opportunity to submit testimony on behalf of the National Puerto Rican Coalition, Inc. NPRC is a non-profit organization organized pursuant to Section 501(c)(3) of the Internal Revenue Service Code. We are a membership organization representing the Social, political and economic interests of the Puerto Rican and Latino community on national public policy and community development issues in Washington, D.C. since 1977.

Since 1994 NPRC and Fleet have been working in partnership on issues of community economic development, neighborhood revitalization, affordable housing development, home mortgage lending, and consumer banking issues. In the New England states where Fleet has a major presence, the Puerto Rican community makes up more than fifty (50) percent of the total Hispanic population of 650,000 Latinos. In New York and New Jersey, 1.5 million Puerto Ricans make up the largest single Hispanic group. NPRC has a long history of working with non-profit community based organization on neighborhood issues, and during the last five years we been the only active national Hispanic intermediary in the area of community development. During this period, we have found the management of Fleet to be very responsive to the concerns which we have raised regarding its banking services to the Hispanic community. Fleet also holds the distinction of being the leading major banking institution in providing assistance to us and our organizational members in our efforts to strengthen the economic participation of the Puerto Rican/Latino community.

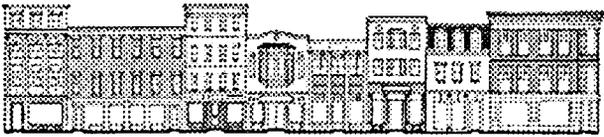
We have had many opportunities to meet with the Senior officials of Fleet and have found them to be always accessible, including Mr. Terry Murry, the Fleet CEO whom we have met with several times to review bank programs and propose new initiatives to better serve the needs of our community. NPRC has also been a member of the Fleet In-City Advisory Board, represented by Irene Packer, Director of NPRC's Community Development and Training Department, through which we have helped to shape Fleet's community development strategies, and improve the bank's relationship with the Hispanic community.

More specifically we have worked on homeownership issues, including pre and post purchase housing counseling programs, and fair housing law public awareness; community reinvestment issues, including small business loan opportunities and affordable housing project financing. Fleet has also help to build the capacity of our community development agencies through training and technical assistance grants totaling over 175,000 during the last four years. This has directly resulted in many organizations being able to provide new housing counseling services to members of their community.

As we look to the future, NPRC believes that the proposed merger of Fleet and Bank Boston will expand and enhance Fleets ability to deliver improved banking services and community investment programs. With the expand financial capacity the merger will provide, we anticipate that Fleet will contribute more to the re-development and economic stability of our community through new community reinvestment programs, more flexible small business lending, responsible community and affordable housing lending, and sensitive consumer lending. Through improved charitable giving Fleet will help to support and stabilize important community programs which provide unique social, educational and cultural services to more than 3 million Hispanic Americans which reside in the Northeast.

Based on the commitment to neighborhood investment, and corporate responsibility which Fleet has demonstrated in working with NPRC over the last six years, I encourage the Federal Reserve Bank to approve the merger between Fleet Financial Group and BankBoston Corporation.

Thank You.



BCNC

"Business in Partnership with the Community"

Boston Chamber of Neighborhood Commerce • P.O. Box 35122 • Boston, MA 02135 • (617) 522-1552 • Fax (617) 562-7992

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Carla E. Bennett

July 7, 1999

Fleet/BankBoston Merger Hearing

My name is Frank Moy, Jr. and I am the Chairman of the Boston Chamber of Neighborhood Commerce (BCNC). The BCNC was formed 1991, during a difficult recession period, by a group small business owners and representatives from every neighborhood business district in Boston representing several thousand neighborhood businesses. Recently the BCNC became an affiliate member of the Greater Boston Chamber of Commerce.

The primary mission of the BCNC is to enhance the viability of Boston's neighborhood commercial districts.

The BCNC supports the Fleet/BankBoston Merger because both banks have New England roots and have been be active participants in promoting small business lending and banking services. Fleet and BankBoston provide financial and staff support to the BCNC.

Staff from Fleet and BankBoston have and continue to serve on the BCNC Board of Directors and have participated in numerous workshops on small business leading procedures including credit scoring, the 5 C's of credit, SBA Low Doc Program, 2nd look program if a loan is denied, and the Community Reinvestment Act (CRA). Fleet and BankBoston have participated in business support programs on marketing, public relations/public review process, e-commerce, retail security, "One Stop Program at the Empowerment Center, and small business management.

In closing, we support the Fleet and BankBoston merger because both organizations have a demonstrated their commitment to Boston's small business community during good and bad economic times.

Thank you.

Sincerely yours,

Frank Moy, Jr.
Chairman

Members: Allston Board of Trade • Back Bay Association • Beacon Hill Board of Trade • Boston Main Streets • Bowdoin Street/Geneva Avenue Merchants Association • Brighton Board of Trade • Charlestown Business Association • Codman Square Merchant's Association • Dorchester Board of Trade • Downtown Crossing Association • Downtown North Business Association • Dudley Square Merchant's Association • East Boston Chamber of Commerce • Egleston Square Merchant's Association • Field's Corner Merchant's Association • Fenway Board of Trade • Grove Hall Board of Trade • Haitian Business Development Council • Hyde Park Board of Trade • Hyde Square Business Association • Jamaica Plain Business and Professional Association • Kenmore Business Association • Lower Mills Merchant's Association • Mattapan Board of Trade • Mission Hill Board of Trade • Newbury Street League • Newmarket Business Association • Readville Merchant's Association • Roslindale Board of Trade • South Boston Chamber of Commerce • Tremont Street Business Association • Upham's Corner Board of Trade • Washington Street Business Group • West Fenway Business Association • West Roxbury Business Association