

Facing a crisis, Philip Morris fired first

BY MIKE ALLEN
TIMES-DISPATCH STAFF WRITER

A chauffeur and his black Lincoln Town Car idled beside the television stations' satellite and microwave trucks, in front of the 200-acre Philip Morris USA cigarette factory in South Richmond. Inside, the EverFresh orange juice was on ice in a smoker-friendly conference room, where two whirling ceiling fans gave the air conditioning a hand.

Philip Morris, which makes 46 percent of the nation's cigarettes, was revving up a weeklong blitz against President Clinton's plan to regulate cigarette sales and advertising. At a televised news conference Thursday, he said the proposed restrictions could "free our teenagers from addiction and dependency."

On Tuesday, 51 hours before Clinton spoke, the tobacco company began its offensive with a bald publicity stunt. Ellen Merlo, the senior vice president of corporate affairs, flew down from Philip Morris headquarters in New York City, and was driven to the Richmond plant to show off an "UNDERAGE SALE PROHIBITED" legend the company added last week to one side of Marlboro Lights boxes.

The letters are $\frac{3}{4}$ of an inch high.

The company's other brands — including Benson & Hedges, Merit, Parliament and Virginia Slims — are scheduled to add the warning by year's end.

Edward L. Sweda, the senior attorney at the Tobacco Products Liability Project at Northeastern University School of Law, in Boston, dismissed the labeling gesture as "transparent and pathetic."

"Three thousand kids a day start smoking," he said. "I doubt this'll even make it 2,999."

Nevertheless, Philip Morris officials got the coverage they wanted. Photographers at the Richmond news conference piled onto a golf cart painted like a pack of Merits, then were ferried to a machine where flavored tobacco was being crushed, rolled and sliced into Marlboro Lights at the rate of 10,000 a minute. That's 500 packs, or 50 cartons — all part of the plant's 600 million-a-day cigarette output.

Sure enough, local and network news for the rest of the week showed video of little Marlboro boxes zipping by, with repeated airings of Merlo's defiant preemptive strike on Clinton's proposal.

"I can tell you that we will do whatever we

have to do — and take whatever steps we need to take — to protect our interests," she said.

Although two Richmond talk-show producers said Philip Morris officials usually ignore their pleas for appearances, now the company is reaching out. For stations that couldn't come on Tuesday, Philip Morris offered three satellite feeds of soundbites Merlo had taped the day before. Couriers dispatched press kits to reporters who didn't show up.

The public relations assault continued at noon Thursday — 90 minutes before Clinton spoke.

Philip Morris summoned 80 journalists to its Park Avenue headquarters, where — as at the

PLEASE SEE BLITZ, PAGE B4 ►

Clinton plan drew Philip Morris blitz

▼ BLITZ FROM PAGE B1

Richmond briefing — each seat had an ashtray.

This time, Philip Morris and the four other largest U.S. cigarette makers announced a suit against the Food and Drug Administration, asserting the regulations are illegal.

"Make no mistake: The real issue, and the real agenda here, is prohibition," intoned Steve Parrish, Merlo's counterpart at the parent firm, Philip Morris Cos. Inc.

That afternoon, the company put out a 9½-page, single-spaced statement about the complaint.

Parrish seemed to be everywhere on the dial last week. In addition to cameos on all three network newscasts the night of Clinton's announcement, Parrish went one-on-one with Tom Brokaw on Wednesday's "NBC Nightly News," guested the next night on PBS' "The MacNeil/Lehrer NewsHour" and popped up Friday morning with Bryant Gumbel on NBC's "Today" show.

The stakes are huge. Health groups maintain that few smokers pick up the habit after age 19. And the FDA said that if the new rules cut teen-age smoking in half, 1,000 tobacco-related jobs would disappear each year, and the industry would lose \$256 million the first year and as much as \$1.2 billion over 10 years.

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Opponents hope to seize moment

Declaring nicotine to be a drug, Clinton proposed FDA regulations that would ban cigarette vending machines; require cigarette buyers to prove they are at least 18; eliminate cigarette brand names on T-shirts and gym bags; and prevent the use of brand names in sports sponsorships, including Winston Cup stock-car races and the Virginia Slims tennis series.

In Richmond, the towering Marlboro Man would be evicted from The Diamond's outfield.

So after years of frustration in tobacco-proud Richmond, smoking opponents finally feel they have hope of getting a leg up.

Across town from Merlo's news conference, a coalition of health groups was plotting strategy at the Corinthian-columned Virginia headquarters of the American Lung Association.

Passing around the new packs of Marlboro Lights, the activists scoffed.

"How has it changed?" asked Bruce R. Nyland of Williamsburg, an American Cancer Society volunteer. Nyland took off his glasses, squinted, flipped the pack around, then tossed it back.

Robert G. Solley, the lung association's Virginia program director, said, "If smoking among youths were not so tragic, this would be laughable."

Solley was holding a two-page

newspaper ad that heralds the Philip Morris "Action Against Access" program with the slogan, "The best way to keep kids away from cigarettes is to keep cigarettes."

The underage warnings are one step in the program. An official said Philip Morris later plans to announce with great hoopla the number of stores that have joined the company's "Ask First/It's the Law" campaign to prevent sales to minors.

Solley, the lung association executive, rattled the ad detailing the plan's 10 points, including support for restrictions on vending machines and youth access to cigarettes.

"Just six months ago, the tobacco industry was fighting us tooth and nail on these issues in the Virginia General Assembly," he said.

Measures fought for years

David L. Bailey, a Richmond lobbyist who has worked for the American Lung Association, agreed. "If Philip Morris had supported some of these measures in the past, they would already be law," he said.

Then Bailey quipped: "I wish the legislature were in session right now. From what Philip Morris is saying, we could move all kinds of things through."

Merlo, the Philip Morris executive, did not dispute the change of heart. "I don't think it's instructive or helpful to talk about what went on before," she said in a telephone interview on Friday. "The fact is, we have made a commitment to support those initiatives now."

Merlo said the company was trying to make two points: "We agree with President Clinton and others that youth smoking is an issue that should be addressed, and we are willing to be part of that solution. But we think that the way he has proposed to solve the problem is wrong."

Although most stories about the regulations included the Philip Mor-

ris message, the company had one self-inflicted gaffe. On Thursday — the day of Clinton's speech — Philip Morris set up a booth in Greensboro, N.C., featuring Marlboro's "Gear up for Summer" paraphernalia as a lure for filling out a smoking survey.

A 4-year-old began playing with the Marlboro merchandise. The local paper, the News & Record, snapped a photo and splashed it on the front page.

Smoking opponents contend the industry has a history of denying problems, then cranking up its publicity machine when bad news looms.

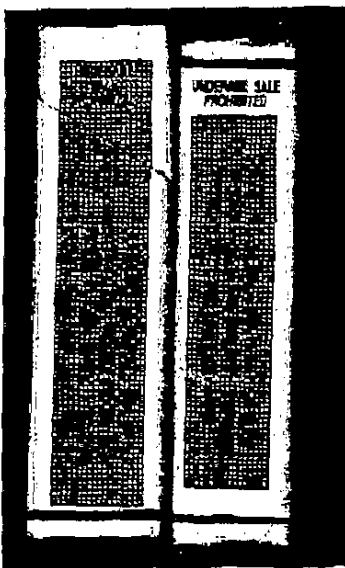
In 1979, the day before the U.S. surgeon general issued the famous report citing "overwhelming proof" that smoking causes lung cancer, the Tobacco Institute — which lobbies for the major tobacco companies — held a news conference to dismiss the document as "more rehash than research."

In 1993, in an effort to head off smoking bans in restaurants and malls, Philip Morris offered free signs featuring the curlicue symbol of its Accommodation Program — a signal that the businesses had accommodations for smokers and non-smokers.

Matthew L. Myers, the counsel to the Coalition on Smoking OR Health, an anti-cigarette group in Washington, said the underage labels are just the latest gambit.

"Every study has shown that the side of the package is read by very few people," he said. "The size and placement of the warning is a clear sign that Philip Morris' youth access campaign is a subterfuge designed to avoid government regulation."

"Philip Morris is a master of public relations," he added. "But as long as the debate continues to focus on children, they're going to lose."



TOO LITTLE? The new pack should reach stores within a few weeks.

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STUART T. WAGNER/TIMES-DISPATCH

TOBACCO GLASNOST. Facing greater federal regulation, Philip Morris opened its Richmond factory to cameras as part of last week's public relations offensive. Bob Scott adjusted a machine that packages Marlboro Lights.

WHAT DO YOU KNOW?

■ Congressional critics have accused tobacco companies of conducting nicotine tests on youngsters in the Richmond area. If you have information about such tests, please call the Richmond Times-Dispatch at (804) 775-8145, or fax (804) 775-8059. Out-of-towners may call free, (800) 488-1885, ext. 8145.

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