

STRATEGIC PLAN  
FOR  
THE TOBACCO INSTITUTE

September, 1989

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## Executive Summary

The Tobacco Institute's long-range strategic plan has been designed to fulfill The Institute's mission as defined by its members: to lead and direct the tobacco industry's resources in defending the industry against unwarranted restrictions and promoting acceptance of the role of tobacco in society. The strategies reflect The Institute's assessment of the most effective approaches to issues currently facing the industry, as well as those only now emerging.

Unlike The Institute's short-term, tactically oriented plans, this document is intended to represent a broad blueprint for activities over the long term. At the same time, the plan must be dynamic to some degree: that is, subject to modification as required by the shifting sands of politics and societal attitudes.

By nature, a strategic plan for a trade association such as The Tobacco Institute differs in certain ways from plans that might be developed by its members for their own organizations. The most notable difference, perhaps, is in terms of measurable targets.

A strategic plan for business frequently sets specific targets for increases in sales volume, market share and return on investment. The Tobacco Institute, like most trade associations, is concerned with legislative proposals, regulatory action, and the perceptions of the industry and its products by the media, opinion leaders and the public. Here the specific objectives and strategies deal with issues and concepts, allies and audiences. Therefore, quantifiable targets do not represent themselves in the strategic plan, but are more properly addressed in The Institute's annual planning and budgeting documents (or more frequently if appropriate).

A second distinction is the absence of strategies designed specifically to combat the various "risk factors," i.e., major unforeseen events that would impact The Institute's focus. Again, the many risks and contingencies in the volatile environment of tobacco issues are more effectively addressed in The Institute's short-term plans. Importantly, however, The Institute's ongoing strategies, as well as its structure and internal resources -- with regard to both legislative matters and public affairs -- are designed to establish a foundation on which an effective response, regardless of the threat, can be rapidly devised and implemented.

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The following pages provide an overview of the environment in which the tobacco industry operates and its strengths. That is followed by the organization of The Institute, its mission and operation.

Finally, this document summarizes The Institute's strategic plan to address six priority issues. They are:

1. Excise Taxes
2. Public smoking restrictions
3. Advertising restrictions
4. Fire safety regulation
5. International trade restrictions
6. "Social cost" claims

In addition, the plan touches briefly on strategies for five other significant and emerging issues:

1. Indication of tobacco use on death certificates
2. Tobacco manufacturer liability legislation/regulation
3. Tort and product liability reform
4. Toxic substances regulation
5. Packaging taxes and restrictions

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## The Environment

When the first Surgeon General's report on smoking and health was released 25 years ago, it was received by a small army of relatively unknown anti-smoking activists. It wasn't until former Surgeon General C. Everett Koop announced in the mid-1980s his goal of "a smoke-free society by the year 2000" that the myriad of organizations, government agencies and individuals who make up the anti-smoking movement were able to rally their forces. This goal has been a unifying force for the anti-smoking movement in its efforts to eradicate smoking.

Whether on Capitol Hill, in state and local legislative chambers, or in public buildings, offices and private homes around the country, the effects of the anti-smoking movement are evident. Many people can no longer smoke at the office or in other public places including restaurants; some are prohibited from smoking even at home.

Federal, state and local lawmakers, influenced by apparent anti-smoking sentiment among their constituents, are passing laws which restrict the use of tobacco products and the industry's legitimate business activities. And the "watchdog" of our society, the news media, exhibit a growing bias against smoking and the tobacco industry.

This change in public opinion is largely the result of a change in the anti-smoking movement itself. A movement that once was small and poorly organized has grown into a well financed and well coordinated effort by a growing -- and increasingly sophisticated -- community of anti-smoking organizations and individuals.

### The Anti-Smoking Movement: Who Are They?

The anti-smoking efforts are led in part by major medical and health-related organizations, such as the American Cancer Society, American Heart Association, and American Lung Association, the three of which also compose the Coalition on Smoking OR Health, chaired by Scott D. Ballin. Another key player to emerge in recent years is the Smoking Control Advocacy Resource Center (SCARC) of the Advocacy Institute, led by former FTC Chairman Michael Pertschuk.

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Several smaller organizations, such as John Banzhaf's Action on Smoking and Health (ASH), the Group Against Smokers' Pollution (GASP) and Citizens Against Tobacco Smoke (CATS), have been formed at the grassroots level, as well as organizations created to battle the tobacco industry on the legal front, e.g., the Tobacco Products Liability Project.

A number of other diverse organizations also are represented, including various scientific and consumer groups, governments, federal agencies, and even certain individuals who are leaders of their own anti-smoking efforts. Additionally, 37 anti-tobacco members of Congress recently formed a bi-partisan caucus, the Congressional Task Force on Smoking and Health, dedicated to eliminating or restricting tobacco use. All of these groups and individuals play a role in shaping the anti-smoking movement's activities.

These groups are motivated primarily by their shared opinion that tobacco, in all forms, is detrimental to health and should not be available to consumers who choose to use it. Aware that an outright ban on tobacco is not politically feasible, they seek rather to destroy the tobacco industry through other means, i.e., increasing excise taxes and placing a wide array of restrictions on tobacco use, sales, advertising and promotion. Their crusade is extremely emotional and, often, irrational.

For example, although anti-smokers assert that environmental tobacco smoke causes 46,000 nonsmoker deaths per year in the U.S. -- a figure with no scientific basis -- the justification for that figure is rarely, if ever questioned publicly. As a result, it is becoming widely accepted as conventional wisdom. At a congressional hearing on smoking in commercial airliners, flight attendants were not challenged by the panel on their emotional testimony that serious health problems, including cervical cancer, had been directly caused by ETS.

In addition, it is illustrative to recognize that the anti-smoking business is a considerable industry in itself, involving hundreds of millions of dollars and countless jobs. Organizations like the American Medical Association (with PAC resources over \$1 million) use their anti-smoking projects to rally members and donations -- and to demonstrate a degree of "social responsibility."

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Many of the anti-smoking spokespeople seem to enjoy their newfound celebrity status, and are attracted to the publicity accompanying their efforts, and the image of "David" taking on "Goliath." Congressman Richard Durbin and Senator Frank Lautenberg, in their quest for airline smoking bans, are good examples of this.

In the past, the anti-smoking movement was divided by differing agendas, each group competing for the same money and recognition. But the change in the public's attitudes toward smoking reflects, in large part, the movement's discovery that strength comes with unity.

### The Anti-Smoking Movement: A New Agenda

The anti-smoking movement now realizes that to be truly successful, it must fight and win battles on several fronts. It has developed an inundation strategy in which the industry is barraged with proposed restrictions -- from public smoking to taxes to advertising to trade -- at every level of government. In addition to maximizing its opportunities for success by sheer numbers, this strategy seeks to diffuse the industry's resources and attention.

On a larger front, the movement has recognized that to reach its goal of a smoke-free society, it must persuade the general public that smoking is unacceptable and harmful behavior. Legislators do not act in a vacuum. It is public opinion that ultimately will dictate the winner in these battles.

So, too, must the anti-smoking movement target the media in its message, utilizing this tool for public opinion and agenda-setting with increasing success.

In January of this year, the American Medical Association, the American Lung Association, the American Cancer Society, the American Heart Association, key members of Congress, and many other citizens and organizations convened in Houston, TX, for a two-day summit to develop a common agenda.

The Houston conference was much like the 1981 gathering of anti-smoking activists in New York for the National Conference on Smoking OR Health, which developed the first "blueprint" for action. Although the focus of the discussion in Houston was somewhat similar, the anti-smoking movement has chosen new targets and arenas for its efforts in the 1990s.

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The dominant issue at the Houston conference was how to reduce smoking among our nation's children, young women, minorities and those less-educated Americans. Anti-smoking efforts based on the issue of smoking by these individuals can be seen in the separate agendas set forth by a number of organizations.

The major recommendations from the Houston conference include:

- giving the U.S. Food and Drug Administration authority over all tobacco products;
- restricting tobacco advertising and promotion activities;
- raising excise taxes on tobacco products to raise revenues and price cigarettes out of reach of most individuals;
- eliminating all federal support for the growth and sale of tobacco;
- "protecting" nonsmokers from so-called "involuntary smoking" in public places, trains, planes and buses, and in the workplace; and
- restricting the U.S. Trade Representative from opening up tobacco markets in other nations.

### Current Trends

A number of trends are shaping the direction of the anti-smoking movement of the future. Primarily, its growing pragmatism and political savvy have provided a tremendous boost to its efforts to eliminate the use of tobacco products.

When blanket public smoking bans were considered in earlier years, most Americans thought that type of action was too harsh. After losing many of these legislative battles, the anti-smoking movement compromised on designated smoking sections, waiting until the climate became more favorable to stricter bans. As a result, over recent years, we have witnessed a slow but steady erosion of smoking rights in public places and the workplace, and a move to ever-harsher restrictions.

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The anti-smoking movement's newfound political finesse also is evident in its attempts to ban advertising and promotion of tobacco products. When initial censorship efforts failed to garner enough support from the public, First Amendment advocates and policy-makers, the movement quickly adopted a variety of backdoor methods ("content only" advertising, curtailing the deduction for advertising expenses, banning sponsorship of cultural and athletic events, etc.) to achieve similar ends.

The legislative challenge by the anti-smoking movement continues to grow in scope. The number of anti-tobacco proposals introduced in Congress each year has increased from a total of 28 in the 96th Congress (1979-80), to 150 in the 100th Congress and 95 to date this year. The number of annual state tobacco proposals has grown by more than 250 percent -- from 250 measures in 1980 to more than 900 this year. At the local level, the amount of activity against tobacco has quadrupled -- from about 90 proposals in 1980 to 364 measures last year.

While smoking restriction proposals clearly are driven by anti-smoking forces, tax-related legislation usually is sponsored by those concerned with more general budget needs. However, anti-smoking leaders are quick to align themselves with proponents of these tax measures.

Additionally, anti-tobacco strategists have begun to more fully understand and utilize the initiative and referendum process. California's Proposition 99, and its 25-cent per pack increase in the cigarette excise tax, was used successfully by anti-tobacco elements as a means of bypassing legislative and constitutional roadblocks to tax increases. Similar efforts are underway in other states.

Another trend has been the anti-smoking movement's turn to the development of coalition allies in its fight against the tobacco industry. Seeking the help of parents, teachers, businesses, minority groups, and even the media, among others, the new anti-smoking movement is borrowing successful strategies used by the tobacco industry.

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And finally, as discussed earlier, the anti-smoking movement has realized the potential of combining its own forces to attack the tobacco industry. As written in the Advocacy Institute's prospectus in 1987, it is "essential" for the smoking control movement to:

"strengthen the disparate forces engaged in smoking control advocacy by enhancing cooperation among them; to develop and promote strategic planning, to share and diffuse successful initiatives, and to coordinate efforts at community mobilization among smoking control advocates."

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## The Institute's Strengths

The strength and effectiveness of The Tobacco Institute are dependent, to a large degree, on its ability to draw upon the strengths of its member companies and the industry as a whole. The industry continues to face the anti-smoking threat from a position of strength in several key areas. Most important among these is the vital role of tobacco in our nation's economy.

The nation's sixth largest cash crop, tobacco touches every region of the country and virtually every congressional district. Not only is tobacco grown in 16 states in the south, midwest and northeast, but the tobacco industry also supports -- directly or indirectly -- a broad spectrum of other businesses nationwide, such as warehousing, manufacturing, wholesale and retail trades, agricultural products, advertising, paper and packaging.

Tobacco provides more than 700,000 jobs and more than \$14 million in compensation just for those employed in the core and supplier sectors.

The tobacco industry and its customers provide billions of dollars in tax revenue for federal, state and local governments. A leading export, tobacco also is one of few products which provides a trade surplus to the American economy.

Another continuing strength is The Institute's ability to mobilize coalitions and third-party allies. The Institute has been successful in its efforts to develop relationships with the business community, minority groups, farmers, labor unions, veterans, active military personnel and low-income groups in an effort to fight excise taxes, smoking restrictions and other proposals. Coalition efforts with other industries affected by excise taxes (such as the Coalition Against Regressive Taxation) also have proved to be strategically valuable.

As proposed restrictions on the advertising and promotion of tobacco products have dramatically increased in recent years. The Tobacco Institute again has utilized its coalition building strengths to find allies in the advertising industry, as well as among cultural and sports organizations who rely on promotional funding from tobacco manufacturers.

The Tobacco Institute also has the ability to call upon a large number and wide range of tobacco family activists. Through its Tobacco Action Network (TAN) and the lists of individual smokers and activists maintained by the member companies, The Institute and the industry are able to reach effectively this useful audience.

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Clearly, tobacco's lobbying capability on Capitol Hill and elsewhere continues to constitute a vital strength. Our federal lobbyists are considered among the best in Washington, and for good reason. Similarly, the cornerstone of the legislative program "outside the Beltway" is our strong network of lobbyists operating in every state. The far-reaching lobbying efforts by The Institute and the member companies, supported by relevant coalitions, media relations and other strategies, have provided the industry with support from elected officials from tobacco and non-tobacco states. This is an increasingly crucial -- and difficult -- task, as legislators feel more pressure from anti-smoking forces.

Finally, in assessing The Institute's strengths it must be recognized that some 30 percent of American adults choose to smoke. This support by some 50 million customers ensures the demand for high quality American cigarettes and other tobacco products. And there are indications that the anti-smoking fervor has begun to create a backlash of frustration and outrage among smokers. By continuing to be a leader in the movement for reasonable accommodation of smokers and nonsmokers alike, the tobacco industry, working through The Institute, can mobilize this "enough is enough" sentiment to oppose the draconian goals supported by the anti-smoking movement.

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## Organization of The Tobacco Institute

The Tobacco Institute is organized in a manner best suited to carrying out its mission on behalf of the member companies.

Institute operations are overseen by a 17-member Board of Directors. The Board operates principally through an Executive Committee of 10 member company leaders who are responsible for setting Institute policy on key legislative, regulatory and public affairs concerns.

The President of The Institute is its chief staff officer.

The legislative and regulatory affairs staff are divided into two divisions: Federal Relations and State Activities. The Public Affairs Division supports the efforts of Federal Relations and State Activities. In addition, the Public Affairs Division is responsible for communicating with the media and other publics to improve public opinion on tobacco-related issues.

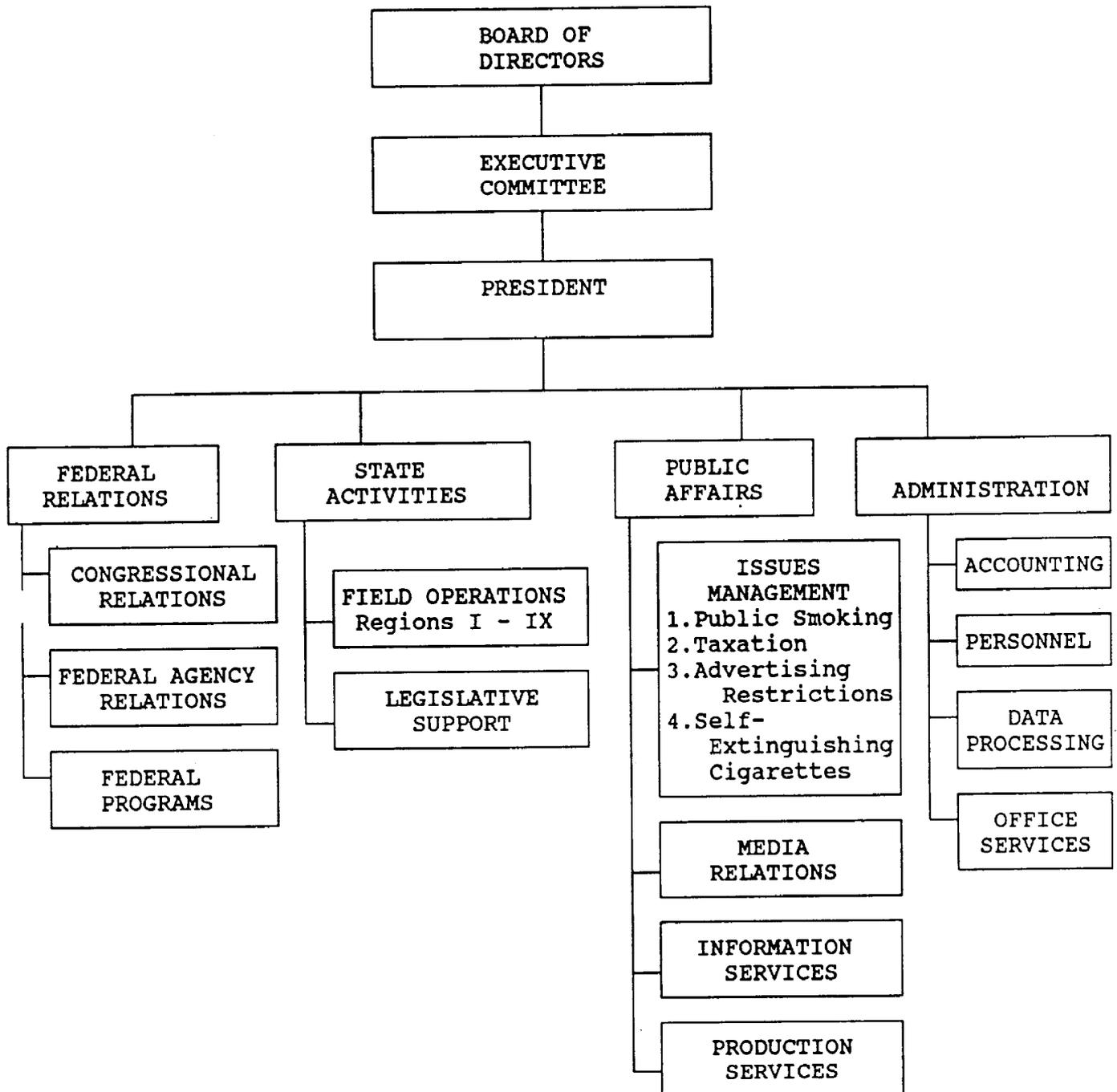
The Administration Division coordinates all budget and personnel procedures and directs overall administrative functions.

Institute divisions work closely with committees made up of member company representatives and others. For example, Federal Relations with the Executive Committee; State Activities with the State Activities Policy Committee; Public Affairs with the Communications Committee; and Administration with the Budget Committee. A Committee of Counsel composed of 11 members oversees questions of legal concern to the entire Institute and industry.

Following is a chart illustrating the organization of The Institute.

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THE TOBACCO INSTITUTE ORGANIZATIONAL CHART



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## Mission and Operation of The Tobacco Institute

The basic mission of The Tobacco Institute is to lead and direct the resources of the tobacco industry in defending the industry against unwarranted restrictions on its right to engage in normal business activities.

This mission can best be accomplished by the achievement of four objectives:

- Lead opposition to laws and regulations that serve to restrict the opportunities of adults to smoke.
- Lead opposition to increases in taxes on the product.
- Lead opposition to unfair economic restrictions on the manufacture, sale, promotion and advertising of the product.
- Create opportunities to enact laws and regulations favorable to the industry.

In pursuit of these objectives, various audiences must be reached, including:

- Legislative and regulatory officials and key staffers at all levels of government
- Opinion leaders
- Media
- General public

The future of the industry can be most quickly and severely affected through the legislative process. Therefore, the primary means of achieving our objectives is through our federal and state legislative staff. The industry's legislative efforts are integrated with and supported by activities such as research, coalition support and media relations, aimed at creating a legislative and public opinion climate favorable to our positions.

The divisional structure of The Institute allows it to manage its wide range of legislative and public affairs activities in an efficient and integrated manner. The divisions act in concert (or individually, as appropriate to each issue) to amass and analyze all relevant information about the issue's history, its vocabulary, groups and individuals involved, legislative and regulatory action at all levels, the industry's position, the state of public opinion and media coverage.

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Utilitizing its own resources and the specialized expertise of consultants, economists, public relations counsel, scientists and pollsters, The Institute then develops and implements research, communications and legislative plans and strategies to manage the major issues facing the industry.

The Institute produces a wide range of written, graphic and video materials to support its activities. These products include press kits, op-eds, research reports, books and brochures, congressional testimony, speeches, slide presentations, videos and video news releases and supporting materials for media tours. The Institute also plans and coordinates events such as press conferences, media tours and briefings for legislators and coalition allies.

These and other capabilities are brought to bear to implement the strategies to address the issues outlined in the following section.

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## Tax Issue

### Summary and Objectives

The program calls for development and maintenance of a broad base of allies and coalitions to join with the industry to:

- 1) Discourage reliance on consumer excise taxes to meet social and economic objectives, by demonstrating that such taxes are regressive and inconsistent with fair taxation; and
- 2) Minimize the tax burden on consumers of tobacco products.

### Background

The federal deficit reduction movement has precipitated an unprecedented search for revenue sources. Although there are a number of alternative revenue sources more consistent with tax fairness, consumer excises -- particularly "sin" taxes -- often are positioned as one of the most politically viable revenue options.

Many Members of Congress and the Administration continue to oppose any new taxes, including consumer excise taxes. Moreover, many labor/liberal, tax reform and minority groups oppose regressive measures such as excise taxes even though they support an increase in progressive taxes. All of these organizations and individuals can effectively lobby against proposals to increase excise taxes.

### Strategies

1. Defeat federal excise tax increase proposals.
2. Defeat all state and local proposals to increase tobacco excise taxes.
3. Prevent or repeal excise tax earmarking proposals, at the federal, state and local levels.
4. Remove ad valorem taxing methods in the states.
5. Defeat excise tax initiatives/referenda by (a) preventing such measures from qualifying for voter ballots and (b) defeating proposals that are placed on ballots.
6. Seek opportunities to include "sunset" provisions in tax measures and ensure that legislated sunsets take effect.

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7. Seek opportunities to repeal/preempt local taxing authority.

8. Demonstrate that consumer excise taxes are regressive, inconsistent with tax fairness and are an inefficient and unacceptable solution to economic and social problems.

9. Encourage allies and coalitions to demonstrate the viability of progressive alternatives to excise taxes as a revenue source and promote allied group support in promoting these alternatives.

10. Reinforce the negative effect of excise taxes on the tobacco economy and promote unity among the tobacco industry family.

#### Audiences

Legislators are, of course, a primary audience for this program.

In addition, the program calls upon consulting economists to prepare op-eds for submission to local newspapers, and to prepare and present academic papers at conferences and seminars.

The program also relies heavily upon aggressive promotion -- to the general press, to the business and economic press, to state and local labor unions and to editorial boards -- of studies and reports commissioned by groups within the labor/liberal community, demonstrating the regressivity of excise taxes and calling for alternative revenue packages.

#### Allies and Coalitions

State officials, including governors and state legislators, have spoken persuasively against increases in federal excise taxes.

Representatives from the tobacco family as well as those industries whose livelihoods are affected by higher excise taxes (e.g., convenience stores and other retail outlets, Coalition Against Regressive Taxation).

Organizations representing the poor and the middle class, including organized labor and liberal interest groups, and senior citizens groups.

Organizations representing the minority and farm communities.

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## Public Smoking Issue

### Summary and Objectives

The programs that comprise the public smoking issue call for active Institute and expert consultant involvement in the scientific, business, labor and hospitality communities to counter the decline of the social acceptability of smoking, and ensure that smokers are given every reasonable opportunity to use tobacco products in public and private settings.

### Background

Most smoking restrictions and smoking restriction legislation are based on the alleged health effects of environmental tobacco smoke (ETS) on the nonsmoker. Although there are conflicting views on ETS science, it has been difficult for scientists with these views to express themselves within the scientific community, as a network of anti-smokers in leadership positions effectively muzzles those with opposing views.

The Institute has aggressively promoted the industry's point of view on ETS and indoor air quality. However, while media attention to indoor air pollution has increased dramatically during the last five years, coverage of ETS has shifted away from portraying ETS as a controversial issue. Thus, the media, and many politicians, while recognizing the problem of overall indoor air quality, tend to view ETS as something to be resolved separately, simplistically and immediately.

### Strategies

1. Defeat federal, state and local legislative, regulatory and administrative efforts to restrict smokers' use of tobacco products in public and private places. Place particular emphasis on measures that affect private workplaces, government workplaces and restaurants.
2. Oppose state and local ballot measures to restrict smokers' use of tobacco products in public and private places by (a) keeping such measures from qualifying for voter ballots; and (b) defeating measures that are placed on ballots.
3. Seek opportunities to enact legislation or administrative rulings that:
  - a) Roll back, modify or repeal existing smoking restriction laws

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- b) Adopt reasonable indoor air quality legislation in lieu of smoking restrictions
  - c) Protect smokers' rights and ensure against smoker discrimination in employment practices
  - d) Adopt state legislation to preempt localities from enacting more stringent smoking restriction ordinances
4. Oppose efforts at the federal level to ban or further restrict smoking in government buildings and public transportation conveyances and facilities, and private workplaces (via OSHA standards).
  5. Focus greater attention on the inconclusive nature of the scientific data regarding the alleged health effects of ETS. Increase awareness of the need for more and better research on the relationship between ETS and health claims.
  6. Encourage continued participation in efforts that objectively assess ETS in the context of all indoor air quality factors.
  7. Encourage a credible, independent analysis of the way journalists cover controversial scientific issues, particularly ETS.
  8. Provide reporters with information that will foster a better understanding of the nature and findings of scientific research on ETS so that media coverage is more balanced and accurate. Rebut and clarify all news reports on ETS that are inaccurate or do not include a balance of viewpoints.
  9. Publicize and explain why the scientific peer review process is limited and fallible and has other weaknesses.
  10. Promote the position that the general public is being overwhelmed with conflicting information about reasonableness of behavior and factors of risk. Encourage accurate, balanced information regarding reasonableness of behavior and factors of risk.
  11. Illustrate the cost to business and society of politically motivated or exaggerated science, especially when it comes to ETS.
  12. Publicize the financial, for-profit interests of the anti-tobacco scientific community.

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13. Focus greater attention on the need for improved ventilation systems or more efficient use of existing systems.

14. Continue to broaden political and professional relationships with organizations and individuals concerned with the issue of indoor air quality. Promote improved ventilation and -- working through allies and coalitions -- ventilation legislation as the best solution and a better approach than smoking restriction legislation.

15. Work with employers and business organizations to increase awareness and credibility of The Institute's workplace programs. Encourage reasonable employer response to employee demand for smoking restrictions.

16. Promote The Institute as an entity that is prepared to assist smokers in asserting their rights in the workplace and in public places.

17. Seek opportunities to broaden the concept of smokers' rights and generally to establish favorable precedents for smokers, while also providing assistance to individual smokers in appropriate circumstances.

18. Increase the hospitality and travel industry's understanding that smokers choose services that are gracious to all customers and that smokers comprise a significant segment of their markets. Increase smoker awareness of airlines, hotels, rental car companies and restaurants that treat smokers graciously.

#### Audiences

The legislative and regulatory communities are a key audience on the public smoking issue.

The program relies upon academic and consulting scientists -- well versed in the scientific literature on ETS and indoor air quality -- to present testimony, prepare articles for submission to the scientific literature, review and critique research, and conduct media tours and editorial board briefings.

Other third parties also are encouraged to submit articles to newspapers and academic journals, present testimony and media briefings, and participate in seminars and conferences.

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Institute staff aggressively promotes via direct mail their availability to work with the media on ETS and indoor air quality issues; to work with employers who are considering workplace smoking restrictions; and to work with hospitality organizations that seek to accommodate smokers and nonsmokers.

The program also calls for aggressive promotion of studies and reports commissioned by allies and coalitions, principally on the indoor air quality issue.

#### Allies and Coalitions

Representatives from organized labor are the industry's chief ally on indoor air quality issues.

Certain members and organizations within the research and scientific communities -- chiefly those organizations with close ties to organized labor -- also have taken a more balanced view on the issues of ETS science and indoor air quality.

In some instances, business and hospitality organizations -- state and local chambers of commerce, restaurant associations, hotel and motel associations, tavern owners, etc. -- have supported efforts to ensure that smokers as well as nonsmokers are accommodated.

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## Advertising Restrictions

### Summary and Objectives

The program calls for development of research and broad-based coalitions to:

Discourage unnecessary and unfair restrictions that, directly or indirectly, adversely affect the legitimate and truthful brand advertising, promotional and marketing practices of the cigarette industry.

### Background

Anti-smoking activists claim that tobacco advertising, promotion and marketing techniques are designed to increase the demand and expand the market for cigarettes. Cigarette advertising and promotion, they charge, is designed to recruit new smokers from the ranks of "the young, the uneducated and vulnerable population groups at home and abroad who need to be protected."

Having failed at federal efforts to enact total bans on all advertising and promotion, anti-smoking activists currently are proposing measures that would severely restrict the content of tobacco product promotion, as well as the industry's ability to sell its products.

### Strategies

1. Defeat legislation or regulation at all levels that bans or restricts the industry's ability to advertise and promote its legal products.
2. Defeat legislation that would repeal or restrict the federal and/or state income tax deduction for tobacco advertising and promotion.
3. Defeat legislation or regulation at all levels that would restrict or prohibit legitimate purchase or sale of tobacco products through retail sources, including vending machines.
4. Defeat federal and state legislation requiring additional unfair warning requirements.
5. Defeat legislation that would further broaden federal agency jurisdiction over tobacco and tobacco products (FDA, CPSC, FTC).

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6. Defeat new and burdensome ingredient/additive reporting and disclosure requirements at all levels.
7. Preserve federal pre-emption of labeling/advertising/promotion regulations.
8. Seek opportunities to adopt state legislation that preempts local bans on sampling and other promotional activities.
9. Increase official, media and public awareness that the right to advertise ("commercial speech") is protected by the U.S. Constitution, and that content control, deductibility restrictions, counter-advertising proposals and repeals of state preemption are all tantamount to an unconstitutional ad ban.
10. Demonstrate that the proposed restriction of tobacco advertising and promotion sets a dangerous Constitutional and economic precedent for discriminating -- both at home and abroad -- against other products and services.
11. Demonstrate that the tobacco industry does not want children to use its products and has taken positive steps to discourage such use.

#### **Audiences**

Legislators are the key audience for this program.

The program calls for promotion of economic and legal consultant analyses of advertising restriction proposals, via op-eds for the general press, editorial board briefings, conferences and seminars for state and local advertising groups. Aggressive promotion of research and materials produced by allies and coalitions is an integral component of our plan.

The program also calls for aggressive promotion of the industry's position on youth smoking, via targeted media tours, promotional activities, and development of programs to assist retailers in complying with state minimum age laws.

#### **Allies and Coalitions**

Representatives from First Amendment and other Constitutional liberties organizations, including the American Civil Liberties Union and the Washington Legal Foundation.

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Advertising trade associations and their state and local affiliates.

The tobacco family, including those organizations that benefit from tobacco company sponsorship and promotion activities.

Representatives from industries potentially affected by a "slippery slope" extension of the issue to other products.

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## Fire Safety Issue

### Summary and Objectives

The program calls for regular and frequent contact with representatives from the fire service and public officials to increase their awareness and acceptance of:

- 1) The fact that the tobacco industry acts voluntarily and responsibly in fire prevention; and
- 2) The difficulties of producing and regulating a viable "fire-safe" cigarette, thus discouraging enactment of infeasible "fire safety" standards for cigarettes and little cigars.

### Background

The Tobacco Institute is a major and respected source for fire prevention and education programs in the U.S. This, in turn, has helped improve relations between the industry and the fire service, and has demonstrated industry interest in fire prevention. However, the fire service in general wants to see an end to careless smoking-related fires. Any suggestions that the industry is less than fully committed to further progress on the issue will be viewed as a delaying tactic, and could call into question the industry's commitment to fire prevention.

Absent progress toward enactment of federal "fire-safe" cigarette legislation, such legislation is a serious threat in at least two states in 1990, and possibly several others.

### Strategies

1. Implement, through federal legislation, recommendations of the Interagency Committee on Cigarette and Little Cigar Fire Safety.
2. Defeat all state and local proposals to require cigarettes to meet any "fire-safe" standards not developed through federal action which implements the Interagency Committee recommendations.
3. Work with fire officials and, where desirable, other public officials at the state and/or local levels to improve the quality and increase the availability of education and prevention programs for fire departments.

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4. Maintain and increase fire service awareness of the tobacco industry's contribution to fire prevention.

5. Continue to encourage discussion among fire service leaders and concerned public officials about the need for thoughtful and effective fire prevention methods.

#### **Audiences**

Legislators are the primary audience for our messages.

The Institute does not actively promote its activities on this issue to the general public. To the extent possible, we attempt to keep the issue confined to the fire service.

The Tobacco Institute has avoided publicity outside the fire service for its fire safety programs in order to demonstrate to the fire service that our intention is to help with the fire problem, not gain public acclaim.

Although this low-profile approach has allowed critics to interpret TI's involvement with the fire service however they wish, and has meant that many elected officials remain unaware of the industry's role in fire prevention, we continue to believe that developing good will and long-term relationships within the fire service far outweighs the immediate and short-lived benefit of publicity.

Our objectives are best achieved through personal contacts by industry representatives with key officials and organizations.

#### **Allies and Coalitions**

Representatives from state, regional and national fire service organizations.

State associations of tobacco retailers, including grocers, convenience stores owners and vendors.

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## Trade Issue

### **Summary and Objectives**

The program calls for outreach to the business and economic communities in the U.S. to reinforce the fact that the export of U.S. tobacco products is a trade issue, not a health issue, and as such, it falls within the purview of trade and foreign policy experts, not health officials. In doing so, we will ensure that U.S. tobacco products are treated as any other American export and are allowed to compete "on a level playing field" with other products.

### **Background**

To support its goal of a smoke-free society by the year 2000, the anti-smoking movement has launched an effort to restrict U.S. policy regarding tobacco exports. It claims that such exports are a health issue, not a trade issue, and that the U.S. government should refrain from including tobacco among those products for which it seeks to eliminate trade barriers overseas.

Anti-smokers also are calling for enactment of legislation that would regulate advertising, marketing and labeling of American tobacco products sold overseas.

### **Strategies**

1. Defeat legislation that would impose U.S. advertising and promotion restrictions on U.S. tobacco products throughout the world.
2. Defeat legislation that would repeal or restrict enforcement of U.S. unfair trade practice law with respect to tobacco products.
3. Increase awareness among the media and key decision-makers that exporting American tobacco products is an international trade matter rather than a political or health issue.
4. Demonstrate the importance of tobacco exports to the American economy, as one of few products that contributes positively to jobs and the U.S. trade balance.
5. Demonstrate that availability of American tobacco products abroad does not affect a particular country's consumption of cigarettes. Instead, those who choose to smoke will continue to smoke brands manufactured within the country or other foreign brands.

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6. Build awareness of the "slippery slope" argument, i.e., that export restrictions on tobacco may lead to restrictions on other politically controversial products.

7. Increase awareness of the patronizing attitude of advocates of tobacco export restrictions, who attempt to impose on foreign governments and their citizens the anti-smokers' personal preferences.

#### **Audiences**

The program calls for development of briefing materials, for presentation via editorial board briefings to economic and business reporters. An extensive program of op-eds, commissioned from the consulting economists for submission to the general press, would supplement Institute media activities.

#### **Allies and Coalitions**

Representatives from the tobacco family, as well as those organizations and individuals involved in tobacco export (e.g., state ports authorities, farm groups).

Representatives from organized labor, including unions involved in tobacco manufacture as well as maritime trades unions.

Organizations and industries potentially affected by the "slippery slope" application of this issue to other controversial products.

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## Social Costs Issue

### **Summary and Objectives**

The program calls for development and promotion of materials for academic and lay audiences to counter claims by anti-smokers that smoking and smokers impose "costs" on society.

### **Background**

The "social cost" issue impacts all of the industry's issues and is being used increasingly and with greater intensity by anti-smoking groups to justify increased regulation and taxation of the industry. These arguments also are being used to counter efforts by the tobacco industry to demonstrate positive economic impacts of tobacco on the nation's economy.

While anti-smokers' research presumes that most costs perceived to be associated with smoking represent a financial burden on society as a whole, independent economists state that such concepts do not withstand credible economic scrutiny.

### **Strategies**

1. Counter "social cost" research with credible, independent economic studies.
2. Demonstrate that "social cost" arguments can be applied to other industries and generate support from those industries in challenging these arguments.

### **Audiences**

Industry arguments are promoted through consulting economists, who have authored a book, drafted articles for the economic literature, made presentations and chaired panels at economic conferences, conducted media tours and authored book reviews for the general media. These efforts will continue and will be expanded to include research on earmarking and "user fees," and briefings of economic and policy staffs of public policy groups.

### **Allies and Coalitions**

The Social Cost Council of the National Chamber Foundation of the U.S. Chamber of Commerce is actively recruiting other industries subject to "social cost" arguments to join in sponsoring conferences and publishing monographs on the issue.

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## Other Industry Issues

### Objective

To represent and protect the tobacco industry's legitimate common interests in other significant and emerging issues.

### Strategies

#### 1. Tobacco Use on Death Certificates

a. Defeat all state legislative or regulatory proposals to include specific reference to smoking or tobacco use on death certificate forms.

b. Repeal or modify current state regulations which have placed references to smoking or tobacco use on death certificate forms.

c. Monitor federal agency activity that could lead to inclusion of tobacco use questions on model death certificates.

d. Seek opportunities through federal action to preempt placement of such references on state forms.

#### 2. Tobacco Manufacturer Liability

Defeat legislative or regulatory efforts to create new causes of action against tobacco manufacturers or to exclude the industry from traditional liability defenses.

#### 3. Tort and Product Liability Reform

a. Support state tort and product liability reform efforts to establish a more equitable and predictable environment so that businesses can operate with more certainty and efficiency.

b. Preserve state case law and statutes favorable to the industry and defeat attempts to repeal or roll back past reforms.

#### 4. Toxic Substances

a. Defeat legislative and regulatory proposals that would regulate certain chemical substances and require warnings of exposure to such substances.

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b. Defeat attempts to place toxics initiatives on election ballots and defeat initiatives and referenda which do qualify for voter consideration.

c. Encourage states to reject costly and burdensome environmental programs that may not appropriately warn the public of extremely hazardous materials.

5. Packaging Taxes and Restrictions

a. Encourage states to adopt integrated solid waste management programs.

b. Defeat legislative and regulatory proposals for taxes or restrictions on packaging materials which would impact tobacco products.

c. Defeat attempts to place packaging tax and restriction initiatives on election ballots and defeat those initiatives and referenda which do qualify for voter consideration.

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