

# Executive Summary



From  
The  
Tobacco  
Institute

Friday, April 28, 1989

## AT THE FEDERAL LEVEL

- To date, 59 tobacco-related bills have been introduced in the 101st Congress (36 in the House and 23 in the Senate.) This compares with 36 bills (23 in the House and 13 in the Senate) at the same time two years ago, at the beginning of the 100th Congress.
- Senator Hatch (R-UT) has reintroduced his Radiation Exposure Compensation Bill, S. 841. Under its terms, a nonsmoker may receive compensation if he developed lung cancer after working 100 months in a uranium mine; a smoker, after 250 months.
- Congressman Beilenson (D-CA) has reintroduced his resolution, H.J. Res. 245, directing the President to urge broadcasters to educate the public about the dangers of cigarette smoking. The resolution has 30 cosponsors.

## IN THE STATES

- The **North Carolina** Senate defeated a 4-cent cigarette excise tax bill this week. The measure would have raised the cigarette tax from 2 to 6 cents per pack. A bill for a half-cent per pack "manufacturers" tax on all cigarettes produced in the state was sent to committee and is not expected to be considered further.
- The **Washington** legislature passed a 3-cent cigarette tax increase (to 34 cents) in the much-amended drug program bill. The final version of the bill does not include an increase in the tax on other tobacco products, which is already the highest in the nation. The 3-cent increase takes effect on June 1, 1989 and expires on July 1, 1993. The legislature also banned all smoking on public school grounds.
- In **Montana**, lawmakers passed a 2-cent cigarette tax increase (to 18 cents) before adjourning on April 21. The increase, which will fund the construction of veterans facilities, takes effect on November 1, 1989. Also passed were two bills to amend the public smoking law. The changes give school boards and persons in charge of public places and workplaces the option to ban smoking. Current law stipulates that one must provide smoking and non-smoking areas or designate the whole facility as smoking.

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- **Louisiana** voters will decide the fate of a major tax overhaul referendum on April 29. If the constitutional amendment restructuring the tax system is approved, tax increases passed in the special session would take effect. A 6-cent cigarette tax increase and a 10-percent tax on other tobacco products would take effect July 1, 1989, and the Department of Revenue would have the authority to require an additional tax on inventories.

- The **Iowa** Senate returned a tobacco advertising ban to the Transportation Committee last week and it subsequently died on the rules deadline. The bill originally related to compensation for billboards removed under the Highway Beautification Act and was amended to prohibit placement of tobacco ads on billboards subject to that compensation.

- The **San Diego, California** Public Services & Safety Committee rejected proposals to amend the city's 1982 smoking ordinance to conform to the new, more stringent county restrictions.

- In **Massachusetts**, a bill to place "tobacco use" on death certificate forms was given an unfavorable report from the Joint Health Care Committee and the Joint Public Service Committee rejected a bill to prohibit public employee pension funds from investing in tobacco companies. Both bills will go to the House for consideration of the adverse reports.

#### **IN OTHER MATTERS**

- Next week, TI speakers will participate in the annual meetings of the Alabama and New Mexico Hotel & Motel Associations.

- Also next week, Labor Management Committee representatives will give an indoor air quality presentation at the Bakery, Confectionery and Tobacco Workers Union East Central council meeting in Atlantic City.

- This week-end, TI staff and consultants will participate in the first annual spring conference of the new State Fire Marshals' Section of the International Association of Fire Chiefs.

- The Virginia State Firemen's Association and the Green River Firefighters Association (Kentucky) have endorsed the industry-supported "Fire-Safe Cigarette Implementation Act of 1989."

# Executive Summary



From  
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Friday, April 21, 1989

## AT THE FEDERAL LEVEL

- \* Congressman Steve Neal (D-NC) has introduced H. Res. 134, a Resolution expressing the sense of the House of Representatives that excise taxes not be increased.
- \* H.R. 33, the Dingell-Bliley drug testing bill which prohibits testing except for alcohol and controlled substances, has 36 cosponsors.
- \* National Drug Control Director William Bennett continues to field questions about his (past) smoking habit. Most recently, on April 14, at a convention of the American Society of Newspaper Editors, he responded that "to equate my nicotine addiction with cocaine addiction and other things . . . is morally obtuse. Anybody who thinks those are similar situations doesn't have their moral compass set."

## IN THE STATES

- \* The **New York** legislature this week pushed through a 12-cent cigarette tax increase (to 33 cents) and a new 15 percent levy on other tobacco products. The revenue package was sent to Governor Cuomo on April 19. The new tax, which will also be collected on floor stocks, takes effect on May 1. The OTP tax becomes effective as of July 1.
- \* The **North Dakota** legislature has sent to the governor a 3-cent cigarette tax increase (to 30 cents per pack) and a 25 percent OTP tax. The increases, which take effect on July 1, are scheduled to sunset on June 30, 1991.
- \* The **Montana** Senate amended a House-passed 2-cent cigarette tax increase by removing a provision calling for expiration of the tax when construction bonds for veterans homes are repaid. The bill is now back in the House for consideration of the amendment. If approved, the increase to 18 cents per pack would take effect on July 1.
- \* A conference committee of the **Washington** legislature is meeting to reconcile differences in House and Senate versions of tobacco tax increase legislation. As passed by the House, the bill included a 5-cent cigarette tax increase and a 10 percent increase in the OTP rate. The Senate changed the tobacco increases to 2 cents and 3.5 percent, respectively. The funding from the increases are targeted to fund the state's drug program. The legislature is planning to adjourn this weekend. The **Washington** lawmakers have sent Governor Gardner a bill which would require a study of the indoor air quality of state government buildings and direct the building code council to revise ventilation standards.

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- \* The **Nebraska** unicameral legislature rejected a 3-cent cigarette tax increase as an amendment to legislation earmarking \$4.5 million from current excise revenues to fund municipal capital improvements.
- \* The **Los Angeles** City Council gave final approval last week to a ban on smoking at public meetings of all city agencies. No date has been set for further consideration of a tobacco product sampling ban.
- \* The **National League of Cities** task force has prioritized proposals for federal revenue-raisers to reimburse local governments for mandated programs. They agreed to send the Board of Directors a list of recommendations, which include higher tobacco excise taxes and personal and corporate income tax increases.

#### **IN OTHER MATTERS**

- \* Next week, Professor Richard Wagner will conduct media tours in Helena and Butte, Montana, and Professor Bob Tollison will be in Hartford and New Haven, Connecticut, to promote their book, Smoking and the State and discussing the "social cost" issue.
- \* As a follow-up to coverage of the March 1 Safe Workplace Coalition Conference, the Washington Post last week published a column by AFGE District 14 President David Schlein regarding indoor air pollution in government buildings. The column, which notes that smoking bans do not solve indoor air quality problems, appeared in the Sunday, April 16, "Close to Home" section. A copy is attached.

# Your Office May Be Making You Sick

## *We Need Standards For Indoor Air Quality*

Federal and D.C. government employees should not have to risk their health every time they enter their office buildings. But they do. In increasing numbers, government workers are being threatened by indoor air pollution. What is even more disturbing is that most of these workers believe their employers—the federal and D.C. governments—are not responding to this growing problem.

Recently, as part of the Safe Workplace Air Coalition, the American Federation of Government Employees released preliminary results of a survey of federal and D.C. government employees. Nearly three-quarters of the respondents believed poor indoor air quality was a serious problem in their work place. More than 90 percent reported experiencing physical symptoms associated with poor indoor air quality. Their afflictions ranged from sneezing, coughing and sinus congestion to serious respiratory illnesses.

While the results of the survey focused on the problems confronting federal and D.C. government workers, they also demonstrated the hazards office workers everywhere face from poor indoor air.

Too often, employers try to blame indoor air quality problems on employee activities, such as smoking. Experts agree, however, that poor indoor air quality is most often a result of inadequate or improper ventilation. The lack of proper ventilation and air filtration can contribute to the growth and distribution of viruses, fungi and toxic vapors.

Government employees are even more susceptible than many workers to the hazards of poor indoor air quality. In an attempt to cut costs, government authorities often shut down ventilation systems after hours and during weekends allowing potentially hazardous gases to accumulate. Improperly maintained systems also provide a fertile setting for fungi. In addition, shortsighted management purchases office equipment

and materials that emit hazardous chemicals and crowd too many workers into small work spaces, limiting the amount of fresh air each worker breathes.

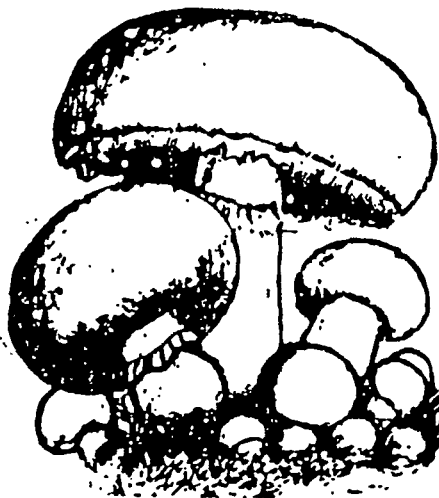
Though government employers may be saving money up front, the long-term costs are not worth it. Our study shows that these efforts result in higher absenteeism and lower productivity. Forty-seven percent of the government employees who responded to the survey have missed work because of ailments such as headaches, fatigue and nasal irritation, symptoms all related to poor indoor air. Fifty-six percent said poor indoor air has reduced their productivity.

To date, government employers have made only token efforts to provide clean air in the work place. Fifty-nine percent of survey participants feel that their agencies are not taking sufficient action to clean up the work place air.

The federal and D.C. governments should commission independent, comprehensive air quality studies. They should review and revise standards for indoor air-quality in government buildings. They must take a hard look at the quality, performance and maintenance of their ventilation systems. Until this is done, no government worker can feel safe on the job.

—David  
Schlein

*is national vice  
president for Dis-  
trict 14 of the  
American Federa-  
tion of Govern-  
ment Employees  
and cochairman of  
the Safe Workplace  
Air Coalition.*



# Executive Summary



Friday, April 14, 1989

## AT THE FEDERAL LEVEL

\* House and Senate budget negotiators have reached a FY 1990 budget agreement with the Administration that includes between \$5-6 billion in additional revenues from "tax code changes," to be determined by Congressional tax-writing committees, presumably with the Administration's blessing. Excise tax opponents continue to keep up the pressure as evidenced by the most recent CART study (see below).

\* On Capitol Hill yesterday, two press conferences were held. The first, by the industry supported Coalition Against Regressive Taxation (CART), announced the release of a new study indicating an excise tax increase would unfairly penalize the nation's low-income wage earners. Senators Bingaman (D-NM), Bradley (D-NJ) and Chafee (R-RI) jointly introduced six anti-tobacco bills in the second press conference. Materials from both are attached.

The CART study, conducted by Peat Marwick, shows that the overall federal tax system has become more regressive over the last 10 years. According to the study, the share of taxes paid by lower income families increased by 12 percent from 1979 to 1989. Middle-income families paid almost 3.5 percent more, while wealthier Americans saw their share of taxes actually decline. If Congress were to impose a \$20 billion package of excise tax hikes on tobacco, gasoline, beer, wine and distilled spirits, the tax burden for lower-income households would rise by half.

The six new bills include Chafee's call for an excise tax increase of 22 cents per pack (to 38 cents). Bingaman introduced legislation to require the FDA to regulate the manufacture and sale of tobacco, give the Secretary of HHS the authority to reduce the levels of "harmful additives" and prohibit free samples and coupons for cigarettes. (This legislation is similar to the Whittaker bill, H.R. 1494, but was redrafted to assure referral to the Labor Committee. It didn't work. The bill has been referred to the Commerce Committee.) Bingaman also reintroduced legislation to raise the price of tobacco products in military commissaries. Bradley announced three bills, including a re-introduction of his measure to eliminate the tax deduction for tobacco advertising. The second was a re-introduction of his bill to add an addiction warning label to the current rotating warning labels. Bradley's third bill would expand Federal alcohol and drug abuse education programs to include tobacco.

\* Congressman Benjamin Cardin (D-MD) has introduced H.R. 1808 to increase cigarette excise taxes to help pay for the Catastrophic Health Care Coverage Act that passed Congress last year.

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- \* The new ranking Republican on the House Aviation Subcommittee (Chairman Oberstar), replacing Newt Gingrich, is William Clinger of Pennsylvania, a cosponsor of the Durbin bill.
- \* On April 7, Senator Breaux (D-SC) introduced S. 732, a companion bill to the Boucher-Bliley fire safe cigarette bill. Original cosponsors are Senators Sanford (D-NC), McCain (R-AZ) and Lott (R-MS).
- \* The Consumer Product Safety Commission Reauthorization bill, H.R. 1762, was marked up and approved by the Florio Subcommittee of the House Committee on Energy and Commerce on April 12. There was no effort to remove the tobacco exemption from the Consumer Product Safety Commission Act as there was in the 100th Congress. Congressman Bates (D-CA), the chief proponent of such a measure, is no longer a Member of the Subcommittee.

### IN THE STATES

- \* The **Vermont** House Ways & Means Committee removed a proposed 20-cent cigarette tax increase from legislation to fund "universal health care," and directed that the funding come from general funds.
- \* Final action may be near on **New York's** budget and revenue measure. It seems likely that a leadership compromise will include a 13-cent increase in the state excise tax, to 34 cents, and a possible increase in the tax authority for **New York City**, where an additional 8-cent tax is currently imposed.
- \* **Pennsylvania** Senator Dawida (author of the 1988 smoking restriction law) held a press conference on April 11, to announce the introduction of his latest anti-smoking bills. The legislation includes a 10-cent cigarette tax increase to fund tobacco education in schools, listing tobacco as a "contributing factor" on death certificates and banning sampling and couponing.
- \* A **Minnesota** subcommittee defeated a "fire-safe" cigarette study measure on April 11. A tie vote killed the bill, which would have appropriated \$100,000 for development of "fire-safe" cigarette standards. A Senate companion bill remains pending.
- \* The legislatures of both **West Virginia** and **Kansas** have adjourned without passing any anti-tobacco legislation. In West Virginia, bills for taxes on other tobacco products and sampling and advertising bans died in committee. A Senate-passed government smoking restriction measure died in the House. In Kansas, bills for a sampling ban and smoking restrictions died in committee.
- \* The **New Mexico** State Attorney General's office issued a formal opinion this week, calling portions of Albuquerque's 1988 smoking ordinance unconstitutional. The Attorney General's office cited ambiguities and vagueness in employers' responsibilities as well as potentially illegal inspection provisions.

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- \* Despite earlier approval of almost identical legislation, the **Maryland** Senate, by one vote, defeated a bill which would have prohibited employment discrimination against smokers. The legislature sent to Governor Schaefer a bill to restrict smoking in hospitals, except long-term care facilities. Measures for a 13-cent cigarette tax increase, restaurant smoking restrictions and a vending machine ban, were defeated.

- \* The **Connecticut** House amended a bill to provide that future contracts for rail service in the state require at least one smoking car on trains with five or more cars. This would overturn the smoking ban imposed on the Metro North line by the New York Metropolitan Transportation Authority. The bill, which originally related only to smoking on school grounds, now goes to the Senate.

### IN OTHER MATTERS

- \* Next week, management attorney John Fox will conduct his Breakfast Briefings on topical legal issues, including smoking in the workplace, in Middlebury, Springfield and Wellesley, Massachusetts. Fox will also conduct media interviews in Boston and Vermont.

- \* Also next week, Truth Squad media tours, discussing ETS and indoor air quality, will take Dr. David Weeks to Albany and Buffalo and Gray Robertson to Hartford and New Haven.

- \* During the last two weeks, TI speakers participated in the annual gatherings of the New York and Pennsylvania Restaurant Associations, conveying the industry's hospitality program messages. Next week, TI will travel to Portland for the Pacific Northwest Restaurant convention and Jackson for the Mississippi Restaurant Association's event.

- \* This week, Minnesota Citizens for Tax Justice (MnCTJ) released a study examining the effect of the state's tax system on moderate and middle income families. The study concludes that while Minnesota's tax code has become more fair, needed revenues should be raised using progressive methods. MnCTJ also suggests freezing excise taxes.

- \* Next week, TI representatives will participate in conferences of the National Volunteer Fire Council and the Metro Chiefs, a section of the International Association of Fire Chiefs.

- \* The Point of Purchase Advertising Institute, a New Jersey based trade association of 850 in-store display, advertising, printing and promotion firms has joined the Freedom to Advertise Coalition.

- \* On Monday, April 17, 1989, TI staff will present a briefing on tobacco issues at the Amusement and Music Operators Association's legislative conference. Some 125 vending machine executives will visit their Congressmen and Senators the next day.