January 8, 1988

MEMORANDUM

To: Samuel D. Chilcote, Jr.

From: Susan Stunt

As we discussed this morning, the "Operation Downunder" proposal, as outlined in the Philip Morris materials, appears to be essentially a very public statement about the reasonable accommodation program the industry has quietly supported over the last several years. Employers and restaurateurs who have been exposed to that program in the last 24 months have for the most part been supportive of it; we believe it has given us credibility and good will with the workplace restriction issue.

Public announcement of such a program should:

- . Enhance our credibility in legislatures, and with business allies.
- . Generate good will among smokers and among that percentage of nonsmokers that oppose bans as unfair and unworkable.
- Move us closer to the middle of the road in the battle while further isolating the anti-smokers who increasingly call for bans.
- Provide an opportunity for us to codify in legislation a smoker's "right" to smoke and not to be discriminated against in hiring and promotion.

As our credibility improves in this arena, our ability to speak out on issues such as indoor air quality and ventilation may also be enhanced.

Pitfalls would be few, but they include:

Industry definition of "reasonable accommodation." We walk a narrow line every day with our private conversations with employers. With public announcement of our policy, industry spokespersons will be asked to comment on whether specific laws -- or policies -- meet the "reasonable" test.

Right now, in practice, we tell companies that "reasonable" differs from company to company, but means that the smoker is able to smoke a cigarette pretty much when he chooses without significantly affecting his ability to do his job. For example, we would not consider reasonable a policy that provides a single room for smokers in the basement of a 12-story building, with no smoke breaks. We probably would consider reasonable a policy that allows properly ventilated smoking rooms on every floor, with several smoke breaks provided throughout the day.

Clarification of "model" legislation. As with corporate policies, model legislation may differ from place to place, depending on the legislative climate. One model bill may prove counterproductive.

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This program should be useful in enhancing our credibility with our customers, with the general public, and with legislatures. It will be of little help in the scientific community, where the battle will continue to be over ETS.

Other ongoing programs -- such as indoor air quality -- are not necessarily appropriate to be incorporated completely into this program. They may, however, be useful components. For example, one aspect of a "reasonable" smoking policy might call for regular inspection and maintenance of the ventilation system.

To the extent possible, this program should be an industry program. Depending on the nature and extent of Institute involvement, some resources may have to be shifted or added if the program is implemented on the scale described here.

I'll be happy to answer any other questions you might have.