

# Executive Summary



From  
The  
Tobacco  
Institute

Friday, December 11, 1987

## AT THE FEDERAL LEVEL

- \* Late Thursday night the Senate passed a Reconciliation Bill which includes the leadership's "economic summit" amendment. The bill raises revenues by \$9 billion in FY 1988 and \$14 billion in FY 1989 without raising excise taxes. The bill now goes to conference with the House-passed version which also contains no excise tax increases.
- \* Yesterday the Tobacco Institute delivered to Speaker Wright a letter signed by 26 House Democrats objecting to the airline smoking ban provisions in the DOT portions of the House and Senate continuing appropriations resolutions (CR). This issue will not be resolved until conferees meet next week.
- \* Congressional adjournment currently is targeted for December 19.

## IN THE STATES

- \* **Michigan's** Senate leadership has prepared a revenue package containing 11 bills to move before the end of the 1987 session. Proposals to increase taxes on cigarettes and other tobacco products are not currently in the package, but will nevertheless carry over to 1988. The Senate has approved legislation setting up the "Health Initiative" and a bail-out fund for Wayne County. Revenue sources are still uncertain, but TI staff and legislative counsel are working diligently to keep tobacco taxes out of the equation.
- \* The **California** initiative for a 25-cent cigarette tax increase and a new tax on other tobacco products received certification December 4. Proponents now have until May 2, 1988 to submit the 595,485 valid signatures required to place the constitutional amendment on the November 1988 ballot. We will meet again early next month with our campaign team, Californians Against Unfair Tax Increases, to review strategy for the initial phase of the project through May.
- \* The **Pennsylvania** Senate did not concur with the House on a smoke detector bill (S 26), which the House had amended to include restrictions on smoking in workplaces and public places. The bill will be considered by a conference committee. The Senate has already appointed its three conferees, but action may be delayed until January. Our efforts to defeat the restriction provisions continue.
- \* At Mayor Koch's request, the Health Committee of the **New York City Council** made minor last-minute changes in a proposed smoking ordinance before reporting it to the full council this week. A final vote is scheduled for December 23. Industry work against the measure continues.
- \* Efforts of TI staff and legislative counsel paid off this week as the **Massachusetts** Senate rejected an attempt to pull a restaurant restriction measure out of the Committee on Bills in Third Reading and place it on the floor for a vote. Though not dead, the bill remains in legislative limbo.

continued...

\* The **Florida** House Finance Committee canceled its hearing on a draft 10-cent cigarette tax increase that had been scheduled for December 8. The House and Senate agreed early Thursday morning to repeal the controversial tax on services effective January 1, and to raise the sales tax rate from 5 to 6 percent on February 1. The state projects a \$100 million revenue shortfall from the month's gap. Governor Martinez signed the measure this morning... On December 4, a Circuit Court judge upheld the constitutionality of a provision in the state's smoking restriction law that preempts local smoking ordinances. The state GASP chapter, which brought the suit challenging the preemption provision, said it would appeal the ruling. We continue to follow the case closely.

### **IN OTHER MATTERS**

\* At our request, the U.S. Chamber of Commerce Foundation will survey its members on workplace smoking issues. This survey will be used as a response to a Bureau of National Affairs, Inc. report issued this week that purports to show dramatic, negative changes in the attitude of business toward smoking. We have delivered letters to the editors of the Washington Post and USA Today, which ran extensive articles on the report, and to BNA expressing concern about the survey methods and conclusions.

\* Just before Thanksgiving, we mailed 20,000 workplace smoking resource guides to targeted companies in Illinois. In the two weeks since the brochures went out, we have received approximately 90 requests for additional information on informal solutions, ventilation and legal obligations, among other issues.

\* Labor relations experts meet next Monday with the president of the Maryland state employees association to offer guidance on how the union can respond to state agency efforts to ban smoking in the workplace.

\* AFL-CIO legislative director Bob McGlotten will be an invited speaker at next week's meeting of the Tobacco Industry Labor Management Committee. Representatives from The Institute, as well as members and observers from more than a dozen unions will attend the session, to update LMC representatives on tax and indoor air quality activities.

\* Through his staffer, presidential candidate Senator Albert Gore recently expressed an interest in reviewing our ad ban video and the TI-funded youth publications published by the National Association of State Boards of Education. Also, Senator Gore told a recent meeting of the inter-association council of the American Advertising Federation that he opposes legislation to ban cigarette advertising and efforts to give the Federal Trade Commission authority to promulgate industry-wide rules on "unfair" advertising.

\* This week, attorney John Fox discussed legal issues surrounding smoking in the workplace with media in Santa Fe and Albuquerque, New Mexico... Next week Gray Robertson is in San Diego with his indoor air quality media tour. Bookings to date include all three network television affiliates, as well as the San Diego Union.

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