

October 6, 1989

MEMORANDUM

To: Kurt Malmgren

From: Susan Stuntz *SS*

Sam has asked that I share your Division's tax and pro-active plans with the appropriate issue managers, and that we get back to you with any thoughts we might have. That is in the works.

In the meantime, I'd like to raise one concern about the wording and the explicitness of some of the documents in the packages you provided the Policy Committee.

To the extent that allies and potential coalitions are noted by name, specific mention of organizations and individuals whose relationship with TI is relatively unknown could do a great deal of damage to the relationship, should the documents become public.

I am most concerned with the D.C. IAQ proactive plan, which contains the most explicit outline of how this industry might go about passing IAQ legislation. In paragraph 2, for example, David Schlein is not now nor has he ever been a "Chief TI labor contact." Instead, our contacts are the Labor Management Committee consultants. Should our relationship with Schlein become known it would destroy (and that is not an exaggeration) our efforts on IAQ at the D.C., federal, and possibly national levels.

Institute consultants will not draft the legislation. Instead, LMC representatives will work with allies in the AFL-CIO to develop legislation. There should be no mention of the presence of the labor community in any of the meetings held to date to discuss this legislation. Schlein has never been at a meeting that TI has participated in on this bill, so that is inaccurate. Rather, our contact with Schlein is through LMC counsel.

As to the drafting of economic impact documents for labor's use. We can draft them, but all we can do from then is share them with labor. Whether labor uses them is up to them (and typically they make changes to them).

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Part of the reason for the success of this activity has been our ability to protect our friends in the labor movement from the embarrassment of being closely tied to tobacco. This document suggests the labor is in our pocket -- which is not now and never has been true.

If you don't already do so, you may want to consider sharing these documents with counsel at C&B and at Shook, Hardy before you distribute them. We do so with our issue plans -- the lawyers' experience with the product liability problems, and our historic concerns about protecting coalition activities -- has given them some good ideas about how we get our point across so as to avoid embarrassment should any document go public. Or, I'll be glad to sit down with Walter Woodson to make some suggestions.

Please let me know if you've questions. Thanks.

cc: Charley Powers
Walter Woodson