

D R A F T

Public Affairs Division
Winter Meeting Presentation

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This is a story of long-neglected family relationships ... with our unions, with tobacco growers, wholesalers and retailers. Some are much improved, some are better, some soon will be.

(pause)

According to the AFL-CIO, we are the most heavily unionized industry in America. Even so, three years ago, relations with organized labor were so poor that Curt Judge, Sam and an Institute delegation were asked to meet with Tobacco Workers Union officials to address a long list of problems.

Shortly thereafter, the Institute and the one union agreed to form the Tobacco Industry Labor Management Committee and to co-sponsor a tobacco issues seminar for union leaders.

We have come a long way from that tentative beginning.

Today, five unions are active on the committee: the Tobacco Workers, Machinists, Carpenters & Joiners, Firemen & Oilers and

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Sheet Metal Workers. Several more -- notably the Paperworkers; Textile Workers; Service Employees; and Retail, Wholesale and Department Store Workers -- are considering membership and the AFL-CIO acts as a permanent observer.

Let me give you a brief, incomplete, list of some of their past and future projects:

On the public smoking issue:

1. the Committee successfully lobbied the AFL-CIO executive council to take the unprecedented action of passing a resolution condemning the Surgeon General for his preoccupation with tobacco, at the expense of more serious workers' health problems.

Labor has attacked the last two SG reports in the press and on the Hill. The presidents of the five unions of the Committee will sign this advertisement (show ad) further protesting the Surgeon General's blindness.

2. the Committee arranged for sustained labor opposition to federal workplace smoking restrictions. Ten unions opposed the Stevens' bill, labor forced delays on the Scheuer-Ritter bills, and played a significant role in stalling and modifying the GSA regulations.

These unions consistently provide letters of opposition, testimony and even witnesses in opposition of legislation when asked.

3. the Committee has helped us reach, and work with many other unions concerned about workplace rules. We have helped the Machinists with an arbitration in Iowa, the Fraternal Order of Police with a hiring ban grievance in Maryland, and the American Federation of Government Employees with negotiations in Florida.

4. the five unions on the Committee will soon issue a kit for labor officials having to negotiate smoking rules. In that kit will be a videotape on indoor air quality featuring the unlikely but highly desirable combination of our consultant Gray Robertson and Machinists President Bill Winpisinger, the dean of union presidents. Here is an excerpt ...

(2-3 minute video)

5. the Committee has also established relations with a similar group representing the sheet metal industry and unions -- a group vitally concerned with indoor air quality because it makes and installs ventilation equipment.

We share with them an interest in directing public attention to the overall air quality question. With the Committee's

help, they are promoting their cause and are now focusing their efforts in which smoking restriction legislation is a priority issue.

On the tax issue: the Committee has provided us with the mechanism to work with a variety of liberal and labor groups actively involved in tax legislation.

1. Foremost among those groups is Citizens for Tax Justice. Last year at this meeting, the National Tobacco Council heard from its director, Dave Wilhelm. CTJ is largely credited for initiating the strong negative reaction to the first Packwood tax reform proposal. This group generally serves as Labor's voice on tax matters and has, these past few years, strongly opposed cigarette excises.

CTJ is in the process of creating state-level chapters and is taking its anti-excise message into some of our most challenging states. A few weeks back, with the Committee's help, CTJ sponsored a major conference on state tax reform and, once again, was solidly on the record against excises.

2. The Committee gives us representation on a lot of groups that The Tobacco Institute could never penetrate. Last year, the influential Save Our Security coalition considered a resolution favoring earmarking of cigarette excises for Medicare. Our Labor friends blocked that resolution.

3. A few weeks ago, the AFL-CIO executive council passed a strongly-worded resolution calling for federal tax increases and, by implication, more federally-created jobs.

Thanks to the Committee, that resolution also included language against excises as a means for raising revenue. That resolution directs labor lobbyists and is circulated to the many Members with close ties to unions.

Our work with this one element of the tobacco family is extensive and consistently productive.

Perhaps, more importantly, it shows that neglected relationships can be improved.

Our relations with growers were not so much neglected , but simply in bad shape a year ago.

The mending process has been slow but with the active help of Kirk Wayne, Bill Balden and a few others, the wounds are healing.

At Bill Balden's request, we created a "political mobilization" program for members of the National Tobacco Council. That program was introduced at the NTC meeting here yesterday.

It includes a variety of communications materials on the public smoking, excise and advertising issues, for use by NTC members --

most of whom represent growers.

There are speeches, pamphlets, resolutions and videos. This video -- which is also being used by federal relations -- is part of the NTC package.

(show excise video)

For many years, we have had good relations with tobacco distributors groups in some 30 states. We have not enjoyed the same relationship with the National Association of Tobacco Distributors.

A year ago, we decided that had to change. A nine-part program was devised and has been in place a year. Progress has been slow but in the right direction.

Together, we are now planning a cooperative honoraria program which creates opportunities for Members to speak in their districts at tobacco distributors' locations. This positive, local twist to our honoraria program is a big help. Their new legislative director --- who we helped train on tobacco issues -- now regularly attends our honoraria breakfasts in Washington.

We are helping NATD with the legislative program at its annual meeting next month, and with its overall Day in Washington program this summer. Both are quite helpful to our federal

relations effort.

We are providing media training to some NATD members and, in turn, they have offered help to our media relations team when it comes to flooding the phones of radio shows, the "in boxes" of newspaper editors and the audiences of televised debates.

Regrettably, we at The Institute suffer from a lack of contact with tobacco retailers. NATD has many of those contacts and has been helpful in bringing us together with folks at the Wholesale Grocers, Chain Drug Association, and National Association of Wholesalers to name a few.

For the first time, we have representatives of the convenience store industry with us at this meeting. Sam Wornom, president of the Pantry, Inc., is chairman of the legislative committee of the National Association of Convenience Stores, and has been helpful to us in educating convenience store operators on the importance of pitching in politically.

Some analysis from our research staff turned up the fact that Koreans now dominate the mom'n'pop grocery operations in many cities including New York, Chicago, Los Angeles and Washington. We have identified organizations which represent Korean grocers and have found them to be quite interest in working with us politically.

(pause)

The bottom line is that the tobacco family is our first and last coalition. It should be our first choice and our last line of defense.

The people of this industry understand the challenges we face and they want to help. Our role is to educate them, equip them, motivate them and mobilize them.

Thank you.