

February 12, 1988

MEMORANDUM

TO: Samuel D. Chilcote, Jr.

FR: Peter G. Sparber *P*

Yesterday, you asked that we organize a means by which Tobacco Institute staff and committees reach agreement on a recommendation related to "Operation Down Under" one month before the next Executive Committee meeting.

We propose the following:

- o Institute staff recommendations, questions, and concerns will be distributed to members of the Executive, Communications, and State Activities Policy committees by Tuesday, February 16.

State Activities' position has been forwarded to you and the State Activities Policy Committee. This division's position will be submitted to you by Bill Kloepfer this Tuesday.

- o Member companies will be asked to consider Institute staff recommendations and formulate company-wide responses to the recommendations, questions, and concerns posed by staff.

If a member company requires clarification of a point, wishes to raise an additional concern or possesses information which addresses an existing question, we would ask that it make its needs known by Wednesday, February 24, so that Philip Morris and/or Institute staff can respond accordingly before the meeting described directly below.

- o On Wednesday, March 2, in place of the regularly-scheduled Communications Committee meeting, we propose a meeting to reach consensus on the program.

Since it is essential that The Institute provide leadership in this effort, we strongly recommend that you chair the meeting and keep it focused on the questions stated below.

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Attendance

The following individuals will meet to agree upon a recommendation to the Executive Committee:

- o One representative from each Member Company, as designated yesterday by the Executive Committee.
 - Guy Smith IV, John Kochevar - Philip Morris
 - Tom Ogburn - RJ Reynolds
 - Sara Ridgway - Lorillard
 - Carol Jova - Liggett
 - TBD - American
- o Institute staff: Messrs. Chilcote, Kloefer, Mozingo, and staff of their choosing.
- o General counsel, litigating counsel.
- o Lobbyists: Tommy Payne (federal); one selected by Roger Mozingo to represent state activities.

Agenda

With participants notified in advance, the meeting will focus on three questions, in this order:

1. Does it serve the industry to support segregation of smokers at this time?
 2. If so, does "Operation Down Under," as presented, satisfactorily meet these criteria:
 - a) Does it support the policy?
 - b) Does it stand a realistic chance of meeting its own objectives, i.e. will it slow the deterioration in attitudes towards the social acceptability of smoking?
 - c) Is it an appropriate use of resources?
 - d) Does it under-cut other industry positions, alliances or programs?
 3. In what ways should "Down Under" be modified to make it more supportive of policy, more effective and/or efficient?
- o On Friday, March 4, a written recommendation based on the March 2 meeting will be circulated to all participants for their review and comment.

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We will ask that all proposed revisions be submitted to The Institute by Tuesday, March 8.

Institute staff will submit a consensus recommendation in writing to the Executive Committee by Thursday, March 10.

* * *

Although the Executive Committee meets April 7, this process would make it possible for Member Companies and The Institute to act sooner.

/mms

cc: William Kloepfer, Jr.
Robert Lewis
Daniel A. Milway
Roger Mozingo