

**Tobacco
Industry
Labor
Management
Committee**

March 5, 1999

cc: Durbin

**Bakery, Confectionery
and Tobacco Workers
International Union**

Mr. John Scruggs
Vice President for Federal
Government Affairs – Tobacco
Philip Morris Companies, Inc.
1341 G Street, N.W.
Suite 900
Washington, D.C. 20005

**International
Association of
Machinists and
Aerospace Workers**

Dear John:

Enclosed is a proposed budget for the Industry Labor Management Committee for 1999. This budget reflects staffing and program priorities that will enable the Committee to achieve an acceptable level of effectiveness given the resource parameter issues you and the other company representatives have raised. (See Attachment A)

**International
Brotherhood of Firemen
and Oilers**

This proposal is based on the premise that labor and management would mutually agree that the Committee's aggregate budget be increased by 10 percent each year for three years (2000, 2001, and 2002) with specific staffing and program expenditures determined by the parties. This will provide stability and continuity and avoid yearly disruptions such as are currently being experienced. Such disruptions impede the Committee's ability to effectively achieve its mission.

**Sheet Metal Workers
International
Association**

It also proposes that the Labor Management Committee consultants and grant recipients be fully funded for January and February, 1999. All of the consultants and grant recipients continued to work on the Committee's behalf through February 10 at which time the Committee's Executive Director, Jim Savarese, was notified that all consultants and grant recipients should cease work on behalf of the Committee. Prior to that date, the direction received was to continue to work.

**United Brotherhood of
Carpenters and Joiners
of America**

During similar periods in past years, when the previous year's contract had expired, consultants would continue to work on behalf of the Committee as their new contracts were being prepared. This year, they were taking assignments and working on behalf of the Committee through February 10.

The Tobacco Institute

**P.O. Box 65311
Washington, DC 20035**

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Pursuant to this, attached is a January 28, 1999 memorandum sent to Bill Adams. It details the January and February Committee invoices and expenditures. (See attachment B)

Attached is a redraft of the Committee's by-laws to reflect various structural changes and priorities. As you may know, on January 1, 1999 the BC&T became the Bakery, Confectionery, Tobacco Workers and Grain Millers International Union (BCTGM). (See Attachment C)

Feel free to contact me at any time to discuss these matters.

Sincerely,



Harry Kaiser

cc: Brennan Dawson, Brown and Williamson Tobacco Co.
Ronald S. Milstein, Lorillard

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