

December 7, 1987

MEMORANDUM

To: Peter Sparber
From: Susan Stuntz *SM*
Re: Annual Meeting Remarks

In our 1987 operating plans, the Public Affairs Division proposed programs to demonstrate to the public, and to key decision makers, that excise taxes are regressive, that ad bans are unconstitutional, that the tobacco industry can act responsibly in fire safety education, and that environmental tobacco smoke is but one component of indoor air quality.

For 1988, we propose to do more of the same, expanding on our public communication efforts and preparing the ammunition that will be needed to respond to anticipated shifts in the anti-smokers' strategies. We will continue our efforts to raise the visibility of our programs through media tours -- as many as ten per month -- as well as with increased use of videos and targeted advertising.

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veterans' communities, and expand those efforts to include other minority and women's groups, as well as agricultural groups and organizations within the tobacco family. We also propose a new program to deal with the social costs issue.

The tax issue will, of course, remain a priority in 1988. We propose to continue to support our federal legislative effort through third party communications, and with the use of videos and targeted advertising. At the same time, we will move our coalition efforts to the state level; we have asked for funding to explore establishment of third party organizations such as CART and Citizens for Tax Justice in a few states identified as priorities by the State Activities Division. We will expand the activities of our network of economists in key states, to include additional op-ed pieces, editorial briefings and academic conferences in targeted states.

Anticipating that anti-smokers will take another run at eliminating the favorable price structure cigarettes enjoy in military commissaries, we will launch a media tour by a commissary spokesperson, to bring home the message that efforts to change the price structure of cigarettes at military commissaries removes a benefit for the serviceman.

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Just as excise taxes remains our most immediate priority, the public smoking/indoor air quality issue is our top long range challenge. This year we were successful in broadening the issue to overall indoor air quality before certain audiences, most notably labor. We will continue and expand on those efforts in 1988, through support of third party organizations such as the National Energy Management Institute. We also will consider targeted advertising and we are increasing the number of media tours each month to include one by ventilation consultant Gray Robertson, two by Truth Squad scientists, two by legal consultants and two by scientific consultant Alan Katzenstein.

We also will expand our efforts to reach companies that might be considering smoking restrictions to 50,000 per quarter. In the first quarter, we will launch a new outreach program for the hospitality industry, to demonstrate to restaurateurs, and hotel and motel operators that smokers are a significant portion of their clientele who will go out of their way to patronize businesses that make them feel welcome.

With certain segments of labor strongly behind us on indoor air quality issues, we will launch a major outreach program to labor on indoor air quality,

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including sponsorship of briefings for officers in state federations of labor. Where appropriate, we will lend financial, promotional and/or personnel support to indoor air quality conferences in selected regions.

We have succeeded in reducing substantially our scientific witness budget, with transfer of responsibility for research activity to the Center for Indoor Air Research. We have requested funding for scientific witnesses according to projections made by state and federal activities; we also have budgeted for identification and training of new scientific witnesses.

If 1987 saw the death of the ad ban issue, we believe 1988 will see the beginnings of serious efforts to restrict tobacco advertising with proposals to require counter advertising, to restrict promotion, or to deny deductibility of ad expenses. We will make use of the new advertising video and materials developed for the Freedom to Advertise Coalition in media tours and editorial visits in hometowns of key Members of Congress. We propose to expand our materials and research to include "less drastic" alternatives to an ad ban; these activities also may mean some new coalition building activities as some opponents of a ban drop out.

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became aware of our successful "Helping Youth Decide" materials published in conjunction with the National Association of State Boards of Education. Next year's advertising plan calls for continuation of the successful NASBE community alliance program, with 20 local programs next year to encourage increased attention to parent-child communication.

The several years of relative peace we've enjoyed on the "fire-safe" cigarette issue may be coming to an end. We anticipate increased activity in our 1988 plan on the fire safety issue. In fact, we have expanded our fire prevention program to include other efforts to regulate the product, including efforts to have manufacturers disclose ingredients, and to give FDA or CPSC regulatory authority over cigarette manufacture.

On the fire issue, we propose to continue and expand on our successful strategy of supporting efforts by the fire community to deal with the overall fire problem through comprehensive fire safety education programs. We have budgeted for increased legislative activity on the federal and state levels. For the new product regulation program, we propose to identify economists who can publish and speak to the importance of trade secrets in a free market economy, and to seek coalition support through organizations representing manufacturers

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of other products, and suppliers of ingredients.

Our coalition strategy calls for increased focus on relations with all segments of the tobacco family -- including growers, distributors and suppliers, as well as key wholesale and retail groups. We will focus additional efforts on key minority and women's groups that have indicated an interest in the past in working with us on specific issues. In addition, we will continue our efforts to expand our relationships with organized labor to include AFL-CIO trade groups representing women, Black and Hispanic trade unionists. We also have budgeted -- at State Activities request -- for local labor counsel in one or two key states, to assist us in taking our successful federal labor program into the regions where it is most needed.

In media relations, we will expand our efforts to pre-empt or counteract anti-smoking press announcements -- through increased use of radio and television satellite packages, distribution of print materials, targeted mailings and issue campaigns. At state activities request, we have budgeted some funds for state or local public relations counsel to be used in targeted regions, as the need arises.

Finally, we propose activity to deal with the social

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costs issue -- and claims that are used to support a variety of legislative efforts from new taxes to ad bans to smoking restrictions. Our social costs plan calls for identification of economists available to write and speak to the issue, and to brief other organizations and industries on potential application of the argument to their products. We hope to work with those economists to organize academic conferences on the social cost issue and to support a media tour promoting a book by economists Bob Tollison and Dick Wagner on social costs. That book is in press now.

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