

SDC

MEMORANDUM

February 5, 1997

TO: Sam Chilcote

FROM: Mike Forscey  
Walter Woodson

SUBJECT: LMC Budget Proposal

As a result of your meeting last December with Frank Hurt, the union has submitted a proposal for increasing the LMC budget for this calendar year. Forscey's subsequent conversations with Harbrant and Scannell make it clear that they are expecting a substantial response from you, especially since their proposal is, in part, based on your suggestions on how to improve the performance of the Committee.

Their proposal is clearly an opening negotiating position, and we think a good faith response can be fashioned that doesn't commit TI financially but, in essence gives them options from which to choose. In my view, a positive response should (1) recognize the merit in some of the categories they propose to increase (especially those you support yourself), (2) suggest appropriate funding increases for each category and, (3) suggest different funding options from which to choose.

By adopting this responsive approach TI gives recognition to the BC&T's priorities and agrees to work with them on obtaining the funding (depending on the agreed upon option) without committing the resources. It also puts TI in the right position when they approach Philip Morris for more funding--something they are prepared to do.

Now in Appendix A are the BC&T's funding requests by category together with (1) the amount we suggest, and (2) our recommendation. Appendix B expands on the rationale behind the requests and recommendations. Appendix C suggests funding alternatives, including potential LMC locations.

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