

April 14, 1997

TO: Frank Hurt  
FROM: Jim Savarese  
RE: Update on LMC Activity

This memorandum attempts to lay out the most recent state-based activities of the LMC and its consultants. It provides specific instances of requests for LMC assistance and the impediments to delivering the maximum level of support.

In the few short months since the state legislatures have been back in session, the LMC and our consultants have been asked by the Institute to provide assistance in a number of states on a range of issues.

Some of the issues are ones on which the Committee has taken formal positions and traditionally been involved in. Others do not have a direct impact on the jobs of industry workers; issues that are at best tangentially related to employment.

These requests, and our efforts to be helpful, have brought to the surface once again the significant impediments to maximum Committee effectiveness created by budget actions four years ago.

Essentially, there have been minimal LMC resources available for progressive organizations and causes backed by key unions and/or state labor federations during this period. Cutbacks also have limited the number of states in which the Committee has labor consultants.

It has become clear that this lack of resources has hampered Committee efforts and impeded our ability to strengthen ties with the labor movement in many states and regions of the country.

The following recent experiences exemplify some of the problems we face as a result of diminished resources:

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- Texas - our regional consultant continues to work closely with organized labor in opposing the proposed 20 cents increase in the cigarette excise tax which is being considered as a part of the Governor's tax reform proposal. Discussions have been held with labor representatives to point out the regressivity of this tax proposal. As a result, labor representatives testified against the Governor's tax proposal and in favor of a state income tax on the grounds of fairness to workers. Our consultant was also instrumental in the distribution of the CTJ tax study "Who Pays?" to the state legislature.

However, this is a state, and an issue, tailor-made for a full-court press by CTJ. When the LMC approved CTJ for extensive, on-ground research and activities, CTJ indicated that a lack of resources precluded a broad-based effort. CTJ's grant from the LMC has been drastically cut over the years.

Support from the Committee to organizations which work closely with the state federation in this state would also be very helpful in strengthening our position to gain the support needed to combat such regressive tax issues.

- Washington State - our state labor consultant has been asked by industry representatives for assistance on a number of issues in recent months. He worked diligently and was successful in gaining support for the industry's position from key labor groups, including the UFCW, on sales to minor's legislation.

Our consultant has also been asked to assist on workplace smoking legislation. The industry is in support of this legislation that would allow designated workplace smoking areas. The legislation included strong collective bargaining protective language.

However, despite the best efforts of our state consultant and regional coordinator, they were unable to gain the support or neutrality of the State Labor Council, due to specific personalities opposing portions of this legislation.

The Committee has in the past supported organizations that were important to the state federation which increased our credibility with organized labor. This remains crucial in a state where the state fed has been opposed to industry positions on certain issues. Currently, no state organizations receive grants from the LMC.

- Florida - in recent months, the Committee has been asked to provide assistance on several pieces of legislation in this state. Of particular interest is

the repeal of the third party Medical Liability Law. Our state consultant has worked closely with organized labor to gain support to repeal this legislation.

Although our state consultant has done an excellent job gaining as much support possible for repeal of this legislation, including the support of the state federation, the lack of support for several progressive organizations in the state, which are closely aligned with the state AFL-CIO, has inhibited the Committee's ability to gain the labor support possible, which is so badly needed on these crucial issues in a large state with no tobacco workers. These organizations receive no LMC grants.

- Indiana - the Committee was approached by industry representatives to provide assistance on sales/promotion legislation. The Committee currently has no one on the ground in this state. However, due to personal relationships, our regional consultant was able to contact Chuck Deppert, President of the state AFL-CIO, to discuss the importance of this issue.

In past years, the Committee did have an ongoing relationship with the state AFL-CIO due to the presence of a labor consultant on the ground in this state and the Committee's support for a progressive tax organization close to the state federation. The Committee no longer has a state consultant in Indiana and provides no grants to progressive groups.

- Maine - currently our regional consultant is working with the TI representative on tax issues in this state. The state federation is supporting a proposed cigarette tax increase that would fund health care for children and individuals who are unemployed. This is a prime example of how Committee support for organizations who work closely with the state fed are critical in establishing an ongoing relationship with the state federation. In the past we have had this relationship.

- Iowa - Over the past several months, the state labor consultant and Committee unions worked hard to reach out to Iowa Citizen Action Network which was considering working to eliminate the state's preemption law. ICAN is a formidable grassroots organization. The unions prevailed and ICAN decided, at least at this point, not to get involved in this issue. We were fortunate to have a BC&T member serving as the state federation's legislative agent. He is also active with ICAN.

The Committee has, in the past, provided support for ICAN, which is closely aligned with the state AFL-CIO and has a number of labor leaders on its board. ICAN in the past had been very helpful on a range of issues, particularly taxes. ICAN was zeroed out for funding during the budget cutback.

**Maryland** - For the past several months the Committee has been working with the BC&T and CTJ to combat the proposed cigarette tax increase as a part of the Governor's overall proposal to cut state income tax. LMC representatives were successful in their efforts. The Senate recently defeated a proposed 30 cents per pack increase and similar increases stalled in the House as well. All of the proposed tobacco increases were sent back to committees in both the Senate and House and did not resurface before the legislative session ended.

Although the Committee was successful in its efforts on this tax issue, the lack of a person on the ground in this state and the inability to support progressive organizations with close ties to labor, made this an extremely difficult fight. As a result, effort in this state will become more difficult and the chances for success become diminished.

- **Massachusetts** - the most pressing issue in this state in recent months has been the focus on ingredients/labeling legislation. The Committee was asked to provide assistance in preventing legislation that would enforce the listing of ingredients on cigarette labels. By working closely with the BC&T International, we were able to generate important communications to the state legislature and regulatory agencies opposing this issue.

The Committee's efforts would be substantially enhanced by the presence of a state consultant on the ground. Support of progressive organizations that are important to the labor movement by the Committee would also make our presence in this state much more effective. Since the time of the budget cutbacks, the LMC has not had any on ground consultants in the state or the entire region and it no longer provides any grants to state or regional organizations.

- **Minnesota** - this is a state where through our state labor consultant and our ongoing support for the Minnesota CTJ, we have been and continue to be very effective on tax issues. The state AFL-CIO truly values our support for the Minnesota CTJ. It is one of the few organizations that has continued to receive support from the Committee over the past several years. And through this support, the Committee has been continually effective on critical issues by working closely with organized labor.

- **Utah** - we were asked for assistance on a tax issue in this state. Our regional consultant worked closely with organized labor and was very effective in conveying to state Democrats the importance of opposing regressive tax bills (i.e. tobacco tax increases) such as this one. The bill was amended, but it must be noted that 13 out of the 17 members that voted against the bill were Democrats. (Note: there are a total of 20 Democrats out of 75 House members.)

Although we were unable to turn the table on this issue, it is important to note our effectiveness in obtaining the Democratic vote against this legislation. Our effectiveness in this state would be greatly enhanced with the Committee's willingness to strengthen our relationship with the state federation by supporting organizations aligned with the state AFL-CIO.

- Arizona at the direct request of TI's state activity, our regional consultant worked closely with the BC&T Representative in the state on pending ADAMHA legislation which sets standards for the sale and distribution of tobacco products, including a statewide preemption clause. Hence, this representative agreed to submit correspondence to all Democrats in the State Senate and will forward the same to the appropriate conference committee. We continue to work closely with the state federation on this issue as well.

The Committee has in recent years supported coalitions in this state. This has proven to be very helpful in discussions with the state federation on the Committee's positions on a number of issues. The Committee no longer provides this support.