

File 5-6/

PHILIP MORRIS COMPANIES INC.

1341 G STREET, N.W., SUITE 900, WASHINGTON, DC 20005

To: Leo Dreyer
Denise Keane
Steve Parrish

Date: May 6, 1994

From: Jim Boland *JEB*

Subject: VA Hospitals

Enclosed is a GAO report on smoking areas in VA Hospitals. Although it is final, it is not yet public -- so circulation should be limited for internal use only. A quick review discloses that the report has both positive and negative aspects.

On the positive side:

- The report appears to endorse separate exhausts and negative pressure.

On the negative side:

- It will make public that the VA has now started paying hazardous duty pay to employees exposed to tobacco smoke.
- Costs of implementation will be \$4-\$24 million.

It is likely that this report will become public at any time.

As you can see from the attached memo prepared by Jim Tozzi (which I sent to Susan Stuntz at TI some time ago), OPM has the ability to review the VA's hazardous duty pay decision. Since this issue has been a TI and RJR issue, they should take the lead. However, the hazardous duty pay issue could be a news item and cited as an additional reason to ban smoking in the federal workplace (by an executive order or otherwise).

Additionally, TI needs to determine and solidify the reaction of the veterans groups to the report as well as the implementation cost estimates.

Attachment

cc: K. Linehan
G. Scott

2026083634