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**C O N F I D E N T I A L**

THE TOBACCO INSTITUTE  
PUBLIC AFFAIRS DIVISION

PROPOSED BUDGET  
AND OPERATING PLAN  
1990

TI DN 0008226

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**MEDIA RELATIONS**

I. Background and Assumptions

Media headlines and cover stories related to the tobacco industry abounded in 1989. The Surgeon General's 25th Anniversary Report, calls for bans on all airline flights and numerous ETS studies were among the nationally covered stories. These issues, and others, brought extraordinary amounts of media attention to the industry. Coverage remains at high levels.

o Anti-tobacco rhetoric and proposals in 1989 have been especially repetitive and shrill. Media coverage has reflected this shrillness. Indications for 1990 promise more of the same. Vigorous efforts to promote the positions of the industry, our allies, and expert consultants will be necessary to help assure fair coverage.

o The media continues to be interested in tobacco-related issues and legislative activity. Congressional and national level activity combined with distinct occurrences (e.g. at the state level) make the news. Anti-smokers show no signs of abating local attacks on the industry. The Institute must continue to take the lead as an aggressive source of information and experts to put anti-smoker rhetoric and proposals in perspective and to provide substantiated opposition.

o In 1989, it is estimated that the media relations team will participate in over 700 broadcast interviews, 1,500 print interviews, fill over 5,000 information requests from the media and public, make personal contact with over 600 journalists, and conduct 150 interviews with consulting experts. In addition to those activities conducted by TI staff, some 60 media tours by expert consultants will bring the industry's message to an even wider audience.

o As a result of this aggressive approach, The Institute is often seen as a reliable source and newsmaking organization. Many national and local media outlets make efforts to include The Institute's views for balance. Maintaining and increasing this momentum continues to be of paramount importance.

o Continued press activity will track tobacco excise taxes (state and federal levels) and proposals to censor the industry's speech. On both issues, our political and press strategies of incorporating coalition members and allies work well, and should continue to be emphasized along with industry viewpoints. Broadening the base of support is often an effective method of obtaining coverage for the industry's positions.

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o Industry positions are generally strong and compelling. Allies and expert consultants have assisted in gaining a great deal of ground. Increasing utilization of both resources through carefully planned, aggressive media strategies remains the challenge.

- A. Staging of preemptive media activities works well, and allows greater latitude to frame our message. One example of this was the "Enough is Enough" campaign in anticipation of the Surgeon General's 25th Anniversary report.
- B. Through staff visits, consultant appearances, and the mailing of targeted materials to all levels of media nationwide, we continue to develop a base of contacts and information. As the level of awareness rises, skepticism decreases, and visibility of the industry's views increases.
- C. Satellite transmissions to deliver information to electronic media have become analogous to messenger dispatch of news releases to newspapers. Amid clutter, the content of both must be news. TI has had successful experience in the satellite medium, and should continue to use this technology. Satellite use can assist in countering the numerical superiority of grass-roots opposition.

II. Objectives

To encourage fairer coverage and editorial balance of key tobacco issues in the media.

To broaden the potential audiences and the reach of the industry's messages.

III. Strategies, Goals and Tactics

Strategy I: Increase levels of media outreach activities, counter-attack, and offensive press strategies. Aggressively promote TI's availability and media appearances to assure industry representation in ongoing tobacco debates.

**Goals and Tactics:**

1. Keep the Institute in the lead as often as possible, through speakers' availability and, to the extent possible, prior knowledge of anti-smoking initiatives.

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Working closely with other TI staff, improve the continuing program to monitor anti-smoking research and activities. Using this information, develop press strategies to respond and counteract publication or announcements. As appropriate:

- A. Conduct preemptive media conferences or on-site press briefings.
  - B. Alert the media to TI availability and position and, where appropriate, experts or third-parties, via national and/or local wire services.
  - C. Distribute position papers, press releases and other materials.
  - D. Produce TV and radio satellite packages for targeted or blanket feeds.
  - E. Use satellite interviews to make experts or TI representative available to press.
2. Continue with active media tour promotion and scheduling of TI speakers on issues of timely and/or local concern.
- A. Using media tours as an outlet, promote industry views in specifically targeted areas for legislative and public affairs efforts.
  - B. Conduct at least two media tours per month by TI speakers on issues of general industry concern (e.g. airlines, workplace assistance program geared towards smokers).
  - C. Determine on a monthly basis with issue managers and field staff, additional opportunities for media tours.
3. Raise the high level of media grassroots contact through targeted mailings and issue campaigns. Specifically, conduct no fewer than two such mailings each quarter.
- A. Conduct mass-scale distribution of favorable clippings, transcripts, editorials, statements, etc. to targeted national and grassroots reporters.
  - B. Incorporate speakers' contacts into target lists.
  - C. Update/refine various in-house target lists on a quarterly basis.

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- D. Increase dissemination of materials and contacts with appropriate trade publications, allied and industry supplier's trade journals.
  - E. Continue to travel to major and secondary media markets on media relations tours.
4. Improve development of more thorough contacts with national media representatives in Washington, D.C. In order to build the approach:
- A. Refine target list of key, influential reporters based in Washington, with designation of specific issues of interest to each individual.
  - B. In coordination with the issue managers, determine which issues should be handled each month, and meet with no fewer than 10 designated reporters per month.
  - C. Provide a continuous feed of information (at least one follow-up package per quarter) on subjects of interest.
5. At least once per quarter, schedule and promote a news-making event, utilizing satellite transmissions and third party allies wherever possible to garner the most possible exposure. Possibilities include:
- A. Polls of public attitudes on tobacco-related issues;
  - B. Coalition groups speaking out on key issues; and
  - C. Press breakfasts on topical concerns.

**Strategy II:** Increase the use of consultants and allies with the media on tobacco-related issues.

**Goals and Tactics:**

- 1. Increase the visibility of industry allies and consulting experts on tobacco-related issues. (NOTE: more detail on specifics can be found in the appropriate issue plan)

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- A. Refine target list of key, influential reporters based in Washington, with designation of specific issues of interest to each individual.
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- A. On the public smoking issue:
    - (1) Continue to promote "Truth Squad" media tours, discussing ETS and indoor air quality;
    - (2) Continue ACVA media tours, with Gray Robertson providing perspective on the relative role of ETS as it relates to other indoor air quality issues;
    - (3) Conduct media activity discussing smoking in the workplace issues in conjunction with legal seminars to be held once a month;
    - (4) Promote other activities of consultants as appropriate.
  - B. For the excise tax and "social cost" issue:
    - (1) Encourage editorial board visits and op-ed publication by economists on the regressivity, unfairness and unwise policy implications of excise taxes;
    - (2) Publicize, via media tours, the new "social cost" studies, as well as the Tollison and Wagner book.
    - (3) Publicize the findings on "earmarking" of excise taxes to be published.
  - C. On the advertising restriction issue:
    - (1) Encourage allies to speak out and generate editorials; and
    - (2) Conduct media tours to create awareness of the industry sponsored Helping Youth Say No program.
2. Continue media activities and tours in localities with TI speakers.
- A. Coordinating with the issue manager and field staff, designate site and content for the event or media tour.
  - B. No fewer than five interviews will be conducted on each visit to a major media market.

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3. Broaden the press and public perception of opposition to anti-smoking measures.
  - A. To the greatest extent possible, coverage of consultants, allies, and independent experts will be used for mass-mailings.
  - B. In conjunction with legislative appearances of scientific witnesses, determine on a case-by-case basis, the advisability of promoting these witnesses to the media.
4. Increase exposure of expert consultants via satellite deliveries. Plan and promote at least one "progressive dinner" per quarter, obtaining State Activities Division advice in determining what media market would be most appropriate.
5. Work with issue managers to increase the number and determine the advisability of expert consultants for media use.

**Strategy III:** Broaden the audiences addressed and messages conveyed by the media team in an effort to educate and motivate allies and the public as to the importance of smokers as customers, employees and citizens.

**Goals and Tactics:**

1. Continue to seek speaking opportunities with the hospitality industry at the national, state and local levels.
  - A. Maintain relations with contacts at these organizations in cooperation with field staff.
  - B. Give presentations or purchase exhibit space at trade shows where appropriate to share information on the importance of customers who smoke.
2. Assess feasibility of continuing to promote hospitality organizations and other businesses who participated in the Great American Welcome.
3. Continue with refocused TI speaker media tours on the TI workplace program addressed to smokers.
  - A. Conduct at least two media tours per month on the TI program and related workplace smoking issues.
  - B. Promote as appropriate new research and significant measurements of the workplace issue.

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**Strategy IV: Improve the management and coordination of media relations efforts.**

**Goals and Tactics:**

1. Improve currently satisfactory coordination among Public Affairs issue managers, and Federal Relations and State Activities personnel, to provide for strategic planning as well as the most thoughtful and advantageous positions taken with the media.
2. For key issues, keep up to date, in concert with issue managers and appropriate other staff, agenda points for speakers' use with the media.
3. Raise the standard of quality of the media team's activities, and assess improvement on a regular basis.
  - A. In addition to daily scrutiny, conduct, at least once a month, a comprehensive review session among the media relations team of video tapes and newspaper clips.
  - B. Quarterly, send video tapes of speaker performances to an outside media consultant for independent evaluation and expert commentary.
  - C. Every six months, conduct a video taped review session between each media team member and the Public Affairs Division issue managers.
4. Continue strategic and coordinated planning -- combining long-range efforts with detailed mapping of all team activities.
  - A. Advance targeting of locations for media activity with State Activities.
  - B. Selection of the appropriate solo consultant or speaker/consultant team for each media market.
  - C. Monthly calendar planning of specific media tours with consultants, speakers' media contact tours, consultants who do media work without a TI representative schedule, and other travel plans. Each month's plans for traveling speakers will include:
    - (1) A minimum of two travel days per week, or the equivalent on a monthly basis;
    - (2) A minimum of one media interview tour or other major travel activity per month in a major media market;

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- (3) A minimum of one two-day major market media contact tour -- which may include participation in a media conference.
5. Increase by 15 percent compared with 1989, the speaker team goals, standards and clear expectations of performance. Speakers will be expected to complete, on a monthly basis, the following:
- A. No fewer than five media contacts per tour.
  - B. No fewer than five joint interviews per each designated monthly consultant/ally interview tour.
  - C. No fewer than two media appearances on the road involving more than two days of advance notice for unsolicited requests.

IV. Resources

A. Staff

1. Management: Dawson  
Media Relations Staff: Merryman, Miller, speaker vacancies to be filled, Smith and Cronan
2. Other Public Affairs: Issue Managers, Information Center, Production Services
3. Other Staff: Federal Relations, State Activities and data processing.
4. Consultants: Public relations counsel, expert consultants, P.R. Aids, TV and radio satellite services, data base providers.

B. Materials

1. Press releases
2. Statements
3. Advisories
4. Fact Sheets
5. Daybook/calendar notices
6. Videos
7. "FYI" and Tobacco Update mailings
8. In-house mailing lists
9. Poll Documents
10. Economic Impact materials
11. Scientific Reports
12. Clip and broadcast monitor services
13. TI publications

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**INFORMATION CENTER**

**I. Background and Assumptions**

The role of the Information Center is to provide information to individuals responsible for developing policy, managing issues and communicating positions on behalf of The Tobacco Institute's member companies.

Since the departure in 1988 of three staff members for the issues group there is, necessarily, less of an emphasis on long-term, in-depth projects. However, the overall level of fulfilled requests as well as the quickness with which staff has responded has remained high. The ability to achieve this service depends on several factors.

The Center has relied more heavily on commercial retrieval systems and other document retrieval services as they have expanded and improved. The in-house database provides greater efficiency in controlling and retrieving from the collection.

o Updated software and additional equipment have helped to continue streamlining administrative functions. In addition, The Center has begun to utilize a computer service in order to update the card catalog.

o Center staff are willing and able to make substantial contributions to the mission of the Division and The Institute. Strategies to enable the Center to function effectively and efficiently are the focus of this plan.

**II. Objective**

To provide efficient service to Division and Institute staff and member companies with respect to their research and information needs.

**III. Strategies, Goals and Tactics**

Strategy I: Following established procedures, provide and systematically report on basic information services.

**Goals and Tactics:**

1. Prepare 12 progress and variance reports in 1990 -- by the second Friday of each month.
2. Receive 12 activity reports from Center staff -- by the second Wednesday of each month.
3. Prepare "Tobacco News Today" clipping service; distribute daily by 9:30 a.m.

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**INFORMATION CENTER**

**I. Background and Assumptions**

The role of the Information Center is to provide information to individuals responsible for developing policy, managing issues and communicating positions on behalf of The Tobacco Institute's member companies.

Since the departure in 1988 of three staff members for the issues group there is, necessarily, less of an emphasis on long-term, in-depth projects. However, the overall level of fulfilled requests as well as the quickness with which staff has responded has remained high. The ability to achieve this service depends on several factors.

The Center has relied more heavily on commercial retrieval systems and other document retrieval services as they have expanded and improved. The in-house database provides greater efficiency in controlling and retrieving from the collection.

o Updated software and additional equipment have helped to continue streamlining administrative functions. In addition, The Center has begun to utilize a computer service in order to update the card catalog.

o Center staff are willing and able to make substantial contributions to the mission of the Division and The Institute. Strategies to enable the Center to function effectively and efficiently are the focus of this plan.

**II. Objective**

To provide efficient service to Division and Institute staff and member companies with respect to their research and information needs.

**III. Strategies, Goals and Tactics**

Strategy I: Following established procedures, provide and systematically report on basic information services.

**Goals and Tactics:**

1. Prepare 12 progress and variance reports in 1990 -- by the second Friday of each month.
2. Receive 12 activity reports from Center staff -- by the second Wednesday of each month.
3. Prepare "Tobacco News Today" clipping service; distribute daily by 9:30 a.m.

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4. Prepare and distribute the annual Tobacco Industry Profile by August 1.
5. Conduct staff meetings as necessary.

**Strategy II:** Emphasizing service and efficiency, maintain fundamental library functions, including reference assistance, routine information retrieval and processing of requests for publications.

**Goals and Tactics:**

1. Provide on-demand reference assistance.
2. Provide a response to all requests for information within 48 hours.
3. Maintain an issue-based electronic index of important reports, articles, books, legislative materials, transcripts and videotapes.
4. Assist users of this electronic index with searches and retrievals.
5. Utilize available cataloging services in order to maintain the card catalog.
6. Process requests for subscriptions and other publications within 48 hours of receipt.
7. Conduct an annual survey of Institute staff regarding the relevancy and usage of the periodicals residing in the Information Center.
8. Periodically distribute advisory bulletins to all Institute staff regarding Center services and contacts.
9. Identify 12 private collections, such as an industry trade association, available for research purposes.
10. Participate in professional associations for information specialists and in library organizations, particularly the Special Libraries Association.
11. Maintain good inter-library loan standing.
12. Maintain system for logging and processing requests for information.
13. Maintain current information on research/reference products and services.

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**Strategy III: Develop closer working relationships with principal users -- the Division's issue managers, those from other Institute divisions responsible for preparing reports and briefing materials, and those from member companies in public relations or information centers.**

**Goals and Tactics:**

1. Ensure that Center staff participate in strategy or other working-group meetings on specific issues or projects, and assist in developing strategies and information to manage such issues and projects.
2. Publicize and provide access to the Center's electronic index.
3. Anticipate specific information needs and forward pertinent information to appropriate staff.
4. Support the preparation of briefing materials for specific events, such as legislative or regulatory hearings or media events, as appropriate.

**Strategy IV: Encourage and assist with the professional development of Center staff.**

**Goals and Tactics:**

1. Ensure that Center staff participate in at least two specialized training courses, seminars, conferences or other forums in research techniques, writing, a relevant academic field, management or other pertinent area of study.
2. Consulting with other Division managers, maintain and distribute information on training programs of possible interest to Center staff and others.
3. Investigate and report on training programs that could be offered at the Institute "in house."
4. Encourage staff to join and participate in relevant professional organizations and societies.
5. Ensure staff's continuing literacy in the use of all available on-line computer services.

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**IV. Resources**

1. **Center Staff:** Booth, Dowden
  
2. **Other Staff:** Stunts, Dawson, Cannell, Data Processing staff
  
3. **Consultants/Professional Services:**  
Information Analysis Inc.  
  
Idealists  
  
OCLC
  
4. **Materials:**  
Decmates; IBM PC-XT and corresponding software; commercial computer services; the VAX; reference and periodical collections; academic, public and private libraries; federal agencies.

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## Tax Earmarking

### I. Background and Assumptions

Over the last several years there has been a move at the federal, state and local level to increase consumer excise taxes and earmark the revenues to pay for a variety of programs. Often, the source of the dedicated or earmarked revenue bears no relation to the program for which it is used. For example, in Washington State, the cigarette excise tax revenue is used to clean up Puget Sound.

- According to polling and focus panel data, the general public is more likely to support any tax increase when the funds are dedicated to a particular program.

- The principle of earmarking is a legitimate form of taxation. Earmarking revenue from broad based taxes, such as the income tax, is generally acceptable. The terms "earmarked" taxes and "dedicated" taxes are often used interchangeably. User fees are one form of dedicated or earmarked taxes.

- Some forms of narrow based earmarking are acceptable. User fees, like the fee for visiting a national park, operate under the logical principle that those being taxed receive the direct benefit. However, earmarking cigarette excise taxes violates this principle of public finance because those paying the tax for purposes unrelated to tobacco do not receive the direct and exclusive benefit of the taxation. Accordingly, this form of narrow based earmarking is unacceptable.

- Earmarking consumer excise taxes, except in the case of a true user fee, goes against every principle of fairness in public financing. The objective of public financing is to fund public programs with revenues raised in an equitable manner. This type of earmarking does not have a strong base of support from knowledgeable economists and public finance experts.

- Proposals to earmark cigarette excise taxes vary at the federal, state and local level. Arguments and strategies to combat these proposals must vary accordingly.

- Proposals vary from non-dedicated excise taxes, which add to the general revenue to those dedicated for deficit reduction to those dedicated to specific "good" programs. The battle against consumer excise taxes is more difficult to win when the proposed excise tax is dedicated to a "good" program.

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- A consumer excise tax is regressive, whether it goes directly to the general fund or it is earmarked for a specific purpose.
- Public pressure for new health care and drug programs have forced federal and state legislators to propose sweeping programs with new, politically acceptable funding sources. This in turn has spurred the debate over earmarking tobacco excise taxes to fund such programs.
- Proposals to earmark consumer excise taxes for health programs are by far the most serious threat due to the many health allegations against cigarettes made by anti-smoking groups. Therefore, the health earmarking issue must be handled separately with its own strategy.
- Many legislators see dedicated consumer excise taxes as an easy solution to raise needed revenue for programs.
- The unfair nature of earmarked excise taxes is two-fold: excise taxes are extremely regressive and those who pay them are asked to pay a great deal more for government than anyone else. Essentially, the poor and disadvantaged pay for programs that benefit everyone.
- Earmarked cigarette excise taxes are not a reliable source of revenue because they do not raise enough money over time to fund the spending programs for which they are dedicated. In addition, anti-tobacco forces want to use the tax to drive down consumption, thus adding to the unreliability of the revenue source.

II. Audiences

There are several primary audiences for any program developed on narrow earmarking:

- legislators;
- technical decisionmakers and opinionmakers, including federal and state tax writing committee staff and regulatory agencies;
- general, business and financial press;
- academia, including those who conduct public finance research and political think tanks;
- general public, especially in states where individuals can vote for earmarked tax packages by referendum or initiative; and,
- groups in favor of more government spending, including special interest groups who propose new revenue sources

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to pay for specific programs. This group must understand that earmarked excise taxes are not a reliable option for funding spending programs over time.

### III. Objectives

To discourage and defeat any proposals at the federal, state and local level to earmark excise taxes by demonstrating the inequity of this type of taxation.

To create model strategies for combating earmarked excise tax proposals. Since earmarking proposals will vary from level to level and tax package to tax package, the program must be flexible in nature.

### IV. Strategies, Goals and Tactics

**Strategy I:** Currently, some politicians argue that "sin" taxes on selected products should be used to fund "good" programs. The contention must be repositioned to demonstrate that earmarked excise taxes are unfair to those who are paying them. Shift the focus to the individual who is actually paying the tax and away from the taxed product.

#### **Goals and Tactics:**

1. Aggressively promote the Tollison earmarking book. Promotion will include media tours on the earmarking issue with economists sponsored by an academic institution. Commission op-eds and promote in targeted publications.
2. Conduct research to determine public opinion on the issue of earmarking. Research may include: a national voter poll, a decisionmaker poll and/or focus groups.
3. Develop an op-ed program to address the national earmarking issue and state specific earmarking issues from consulting economists. As articles are published, provide to other Institute divisions and promote to appropriate public policymakers. Use field staff network to support distribution efforts.
4. Continue to support allied group efforts to oppose excise taxes, with an increased focus on opposition to earmarked excise taxes.
5. Develop arguments and materials to demonstrate that smokers are paying too much already. Materials may include studies,

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testimony, op-eds and lobbying tools for industry representatives.

6. As appropriate, encourage economic consultants to use "social cost" arguments to counter portrayal of excise taxes as user fees on the state and federal level.

**Strategy II.** Demonstrate the viability of progressive revenue alternatives to earmarked excise taxes as a revenue source. To defuse support for earmarked excise taxes, lawmakers must have reasonable alternatives.

**Goals and Tactics:**

1. Support and promote at least five allied group studies/reports on tax fairness and the excise tax earmarking issue.
2. Encourage and coordinate a national tax conference on progressive alternatives to earmarking with a third party sponsor.
3. Encourage tax conferences on progressive alternatives to earmarking in at least two states with the support of a local third party sponsor.
4. Continue to support allied group activities in lobbying Members of Congress on progressive revenue raising options.
5. Encourage allied groups' and economists' testimony to Congressional and state legislative committees.

**Strategy III.** Counter claims that earmarking excise taxes for health care programs is appropriate.

**Goals and Tactics:**

1. Encourage third party spokespersons and coalition groups to make arguments against using excise taxes to pay for health programs.
2. Encourage third party arguments that appropriately shifts the attention from small "revenue bandaids," like excise taxes, to the larger problems in the health care industry that require vast infusions of tax dollars, especially the increased health care costs often imposed by system inefficiencies and health care providers.

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**TAXES**

**I. Background and Assumptions**

Through 1989, the public affairs tax program has maintained the anti-excise tax environment among tobacco family members and those with whom we have formed alliances. We reiterated our successful argument that excise taxes are regressive and undermine tax reform. Although the federal deficit was a major concern, there was, as of July 1, no major tax legislation. We continued to expand our coalition activities and to strengthen existing relationships.

We fully anticipate being at the top of the list of revenue options in 1990.

o Cigarette excise taxes are proposed at the federal, state and local levels to raise general revenue, to deter smoking -- especially youth smoking by increasing its costs -- and to compensate for the alleged "social cost" smoking imposes upon society.

o Federal deficit reduction legislation, resulting cuts in federal funding to state and local governments, and aggressive lobbying by anti-smoking groups, foster a political environment conducive to increases in cigarette excise taxes.

o The federal deficit reduction movement has precipitated a search for revenue sources. Although there are a number of alternative revenue sources more consistent with tax fairness, consumer excises -- particularly "sin" taxes -- are often positioned as the only politically viable revenue option.

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Note: Items footnoted with a "1" indicate items that have been added since last year's plan; items footnoted with a "2" indicate items that have been significantly expanded from last year's plan.

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o As calls for increased revenue intensify, President Bush's "read my lips" pledge in 1988 does not appear to be a permanent guarantee of no new taxes.

o Increasing demands for long-term health care and social and drug-education programs at the federal level may lead to heated battles on earmarking tobacco taxes to fund these programs.

o Excise taxes are "regressive" taxes. They are imposed upon consumers regardless of their ability to pay. According to a Congressional Budget Office study, tobacco excise taxes are the most regressive of all consumer excise taxes.

o Excise taxes are inconsistent with tax fairness. The objective of the Tax Reform Act of 1986 was to restructure the federal tax code to assure fairness -- many states are following suit. According to some studies, an increase in federal excise taxes takes away tax reform for low- and middle-income Americans.

o Labor/liberal, tax reform, minority and industry groups embrace the regressivity issue and can effectively lobby against proposals to increase excise taxes.

o Increased federal excise taxes are detrimental to the tobacco economy and the economy as a whole. All components of the tobacco industry and the Congressional tobacco family can effectively oppose any increased excise tax.

## II. Objective

To discourage reliance on consumer excise taxes on cigarettes to meet social and economic objectives by demonstrating that excise taxes are regressive and inconsistent with fair taxation.

## III. Strategies, Goals and Tactics

Strategy I: Demonstrate that consumer excise taxes are regressive, inconsistent with tax fairness and are an inefficient and unacceptable solution to economic and social problems.

### Goals and Tactics:

1. Commission two op-ed articles in 1990 from consulting economists. As articles are published, provide to other Institute divisions for promotion and submission to appropriate public policymakers. Utilize TAN and field staff network to support distribution efforts.

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2. Conduct at least 10 presentations by consulting economists on the excise tax issue before national, regional and state tax policy conferences.
3. Support preparation and aggressive promotion of at least four allied group studies/reports on the excise tax issue, including at least three that examine the tax burden borne by Blacks, Hispanics and working women.
4. Support preparation and aggressive promotion of at least two allied group studies/reports on tax earmarking, including at least one study on earmarking for long-term health services or a national health-care program. Cultivate relationships with health care and senior citizens organizations and encourage their opposition to earmarking of excise taxes to finance health care.
5. Identify a spokesperson to conduct briefings on economic policy with labor and/or liberal audiences. Support briefing activities with production of a "labor perspective" video on tax policy.
6. Support completion and aggressive promotion of tax earmarking/"user fee" book commissioned in 1989.
7. Encourage and support as appropriate broad-based tax reform coalitions in states identified by State Activities. Continue to support tax reform coalitions established in other states over the last several years.
8. Conduct tax reform conferences in two states (possibly, but not limited to, the same states as in item 7).
9. As a follow-up to the 1989 Peat Marwick study, prepare and aggressively promote at least one tax fairness study sponsored by an industry group.<sup>1</sup>
10. Continue to utilize consulting economists for testimony and briefings. Expand appearances to include presentations to business clubs and the business press. Conduct media refresher courses for public speaking appearances and delivery of testimony.<sup>2</sup>
11. As appropriate, encourage economic consultants to counter portrayal of excise taxes as legitimate "user fees" on the state and federal level (see "Social Cost" plan).

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9. As a follow-up to the 1989 Peat Marwick study, prepare and aggressively promote at least one tax fairness study sponsored by an industry group.<sup>1</sup>
10. Continue to utilize consulting economists for testimony and briefings. Expand appearances to include presentations to business clubs and the business press. Conduct media refresher courses for public speaking appearances and delivery of testimony.<sup>2</sup>
11. As appropriate, encourage economic consultants to counter portrayal of excise taxes as legitimate "user fees" on the state and federal level (see "Social Cost" plan).

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12. Via the Tobacco Industry Labor Management Committee, continue to support labor/liberal organizations and their efforts to oppose excise taxes.
13. Continue to support organizations representing the interests of the Black, Hispanic and other minority communities, i.e., Opportunities Industrialization Centers of America, League of United Latin American Citizens, etc., and their efforts to oppose excise taxes.
14. Continue to support conservative groups, i.e., the U.S. Chamber of Commerce, National Association of Manufacturers, etc., and their efforts to oppose any tax increase.
15. Support agriculture/farm groups, i.e., American Agriculture Movement, League of Rural Voters, etc., and their efforts to oppose excise tax increases. Support AAM State Fair program in which membership and excise tax materials are distributed to agricultural community.
16. Continue to support industry groups, i.e., Coalition Against Regressive Taxation, and their efforts to oppose all excise taxes.

**Strategy II:** Demonstrate the viability of progressive alternatives to excise taxes as a revenue source and encourage allied group support in promoting these alternatives.

**Goals and Tactics:**

1. Working with industry allies, commission at least two studies of alternative revenue sources. Maintain an up-to-date index of alternative revenue options and their revenue raising potential. As appropriate, provide to allied groups researching alternative revenue sources.
2. Encourage and support efforts of other allies to study and promote alternative revenue sources consistent with tax fairness.
3. Identify members of Congress who favor a progressive tax policy. Support allied groups in presenting a semi-annual "progressive" award to this person.

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**Strategy III:** Reinforce the negative effect of excise taxes on the tobacco economy and promote unity among the tobacco industry family.

**Goals and Tactics:**

1. Develop grassroots program to encourage convenience store owners/operators with an economic interest to speak out against excise taxes.
2. Brief at least 10 national/regional agriculture forums, e.g., meetings, state fairs, etc., on the excise tax issue.
3. Update excise tax information kits for Federal Relations Division distribution to new members of Congress and Congressional staff, and distribute to tobacco family.
4. Maintain up-to-date information on the economic impact of tobacco on the nation's economy and the potential effect of excise tax proposals. As appropriate, provide to other Institute divisions to distribute to Members of Congress, state and local legislators and allied groups to oppose excise tax increases.
5. Support and strengthen efforts of tobacco family groups, i.e., National Tobacco Council and National Association of Tobacco Distributors, in communicating opposition to excise taxes.
6. Continue to promote and distribute excise tax video for use by tobacco Members of Congress and state field staff.

**IV. Resources**

**A. Staff**

1. Management:  
Schoonmaker, Hrycaj
2. Division staff:  
Issues staff, Production Services, Media Relations, Information Center.
3. Other staff:  
Federal Relations and State Activities headquarters divisions, appropriate field staff.

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**B. Consultants**

1. Economists
2. Public Relations Counsel
3. Legislative Counsel
4. Survey research firms
5. Tobacco Industry Labor Management Committee

**C. Materials**

1. Videos
2. Data Cards
3. Topic brochures
4. Print materials from coalitions and third party organizations
5. TI-generated publications and studies

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**FIRE SAFETY**

**I. Background and Assumptions**

o Although the number of fire deaths attributed to careless smoking has decreased steadily in the past decade, careless smoking still is cited as a leading cause of fire deaths in the United States. That the statistic has remained fairly constant from 1986 to 1987 has been interpreted by some as evidence that factors such as smoke detectors and public education have reached the limit of their effectiveness and that attention must now focus on legislation mandating changes to the ignition source (i.e., the cigarette) itself. The tobacco industry disagrees with this interpretation.

o No further state or federal legislation has been enacted since the release in late 1987 of the findings of the Technical Study Group (TSG) examining the feasibility of a "fire-safe" cigarette, and the recommendations sent to Congress by the Interagency Committee (IAC) on Cigarette and Little Cigar Fire Safety. Renewed attention to the issue in 1989 by legislators, consumer advocates and the fire service has centered around a desire both to follow up on the work of the previous study and to mandate the production and regulate the sale of "fire-safe" cigarettes.

o In Congress, two separate pieces of legislation on the issue have been introduced.

Rep. Joe Moakley (D-MA) first introduced his bill before release of the IAC recommendations in 1987. Moakley's bill calls for development of "fire-safe" cigarette standards within one year of enactment and enforcement within two years. Sen. Alan Cranston (D-CA) has introduced a similar bill in the Senate.

The bill sponsored by Rep. Rick Boucher (D-VA), and its Senate companion sponsored by Sen. John Breaux (D-LA), calls for implementation of the TSG and IAC recommendations, with a scientific panel convening to proceed with feasibility testing and product development.

o In 1989, his tenth year of sponsoring various "fire-safe" cigarette bills, Rep. Moakley seems determined to pass cigarette fire safety legislation. He has lobbied

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actively for cosponsors and fire service endorsements of his bill. Moakley's ascension to chairman of the House Rules Committee in mid-1989 may increase the likelihood of "fire-safe" cigarette legislation in the 101st Congress.

o In the past, as many as 17 states have considered "fire-safe" cigarette legislation. To date in 1989, bills requiring manufacture of "fire-safe" cigarettes are being considered in Minnesota, Massachusetts, New York and Wisconsin. Absent activity on the federal level, "fire-safe" cigarette legislation is a serious threat in at least two states--Minnesota and New York--and possibly several others, according to projections by the State Activities Division.

o The formation and growth of the Congressional Fire Services Caucus and Institute in the past year have amplified the voice of the fire service on Capitol Hill. Though yet untested, the Caucus and Institute could communicate information to Members of Congress on many issues relevant to the fire service, including the cigarette fire safety issue.

o Despite the promise of the Congressional Fire Services Institute to unify the fire service, the fire service remains largely decentralized. National organizations claim to represent the fire service, but the real strength of the fire service remains with the state associations.

o More than 30 state, regional and national fire service organizations have endorsed the Boucher/Breaux bills, and TI has concentrated on gaining grassroots support from the states. Fire service support for the Moakley/Cranston bills currently is limited to a few organizations that have either real or perceived legislative influence.

o Fire service hostility to the tobacco industry has subsided. Most fire service officials agree that the reasonable next step in the process is to follow the TSG and IAC recommendations. Though for most the cigarette fire safety issue is not a top priority, the fire service in general wants to see an end to careless smoking-related fire deaths. Any suggestions that the industry is less than fully committed to further progress on the issue will be viewed as a delaying tactic.

o The Tobacco Institute has helped improve relations between the tobacco industry and the fire service and has demonstrated that the industry is acting responsibly to help deal with the fire problem. The Institute remains a major and respected source of private sector support for fire prevention and education programs in the United States.

o In 1989, The Institute's Fire Safety Education Program grew substantially. We now have working relationships with officials in more than 500 key departments in the United

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States. Our materials are being used in thousands of departments, including those in more than 175 cities. More than 75 state, regional and national fire service organization grants have been awarded since the program's inception.

o The Tobacco Institute has avoided publicity outside the fire service for its Fire Safety Education Program in order to demonstrate to the fire service that our intention is to help the fire problem, not gain public acclaim.

On the downside, this low-profile approach has allowed critics to interpret TI's involvement with the fire service however they wish. In addition, others who should know about the program--for example, elected officials--remain unaware of The Institute's role in fire prevention.

However, we continue to believe that developing good will and long-term relationships within the fire service far outweighs the immediate and short-lived benefit of publicity. Our objectives are best achieved, we believe, through personal contacts by industry representatives with key officials and organizations.

## II. Objectives

To increase the awareness of and acceptance by key public officials and fire service leaders that the tobacco industry acts voluntarily and responsibly in fire prevention.

To increase the awareness of and acceptance by key public officials and fire service leaders of the difficulties of producing and regulating a viable "fire-safe" cigarette.

## III. Strategies, Goals and Tactics

Strategy I: Work with fire officials and, where desirable, other public officials at the state and/or local levels to improve the quality and increase the availability of education and prevention programs for fire departments.

### Goals and Tactics:

1. Have working relationships in 600 localities by January 1, 1991, an increase of 100 from the previous year. A working relationship signifies (1) a TI-sponsored project in place; (2) TI staff contact with the local fire service; and (3) awareness or involvement of fire officials or other public officials.
2. Produce, with assistance from the fire service, a video on how to structure a basic fire safety education

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program. Feature The Institute's fire safety education materials and endorsements from users of those materials. The video will be used in legislative and fire service organization briefings, and as a means of promoting TI's programs.

3. Continue funding fire safety education programs of individual fire departments, awarding an additional 50 grants in 1990. To date, 250 grants have been awarded.
4. Continue grants to state, regional and national fire service organizations for fire prevention education programs, supporting an additional 10 programs in 1990. To date, 75 fire service organization grants have been awarded.
5. As part of fire service organization grant program, provide funding to enable organizations to format existing programs into packaged products.
6. Seek locales for opportunities to implement TI programs as follows:
  - A. Make direct contacts with individual departments and officials in order to establish programs.
  - B. Work through state and regional fire service groups to coordinate introduction of programs locally. In presentations at their conferences, communicate the availability of public education materials and funding.
  - C. Work with state fire marshals to coordinate grants in their states; encourage them to involve public officials in the presentation of grants.
  - D. Approach fire officials who have commented favorably on research supported by The Institute.
  - E. Follow up on all requests for assistance from fire service and public officials generally aware of our efforts.
  - F. Follow up with departments already participating in the program.
7. Seek opportunities to become members of fire service organization public education committees and sections and sit on advisory boards as appropriate, to contribute to the development of public education activities and policies.
8. Explore the possibility of working with the Congressional Fire Services Institute to identify and recognize fire departments with outstanding public fire

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safety education programs.<sup>1</sup>

**Strategy II: Maintain and increase fire service awareness of the tobacco industry's contribution to fire prevention.**

See Appendix I for discussion of priority regions.

**Goals and Tactics:**

1. Encourage placement of at least five articles, each describing a program supported by the industry, by fire service personnel in fire trade publications. Encourage local departments to publicize industry efforts in publications of national, regional, state and county fire associations.
2. Obtain at least five mentions per quarter in national, state and regional fire service publications. Maintain and improve relations with key fire trade journalists. See Appendix II for list of key fire service publications.
3. Appear on the programs of at least four national and five regional fire service conferences in 1990. Attend at least a dozen other conferences to promote privately industry programs. Maintain and improve relations with individuals responsible for planning major conferences.
4. Conduct individual briefings as part of visits to departments, conferences and other meetings.
5. Implement additional fire safety programs in regions of the country identified by Federal Relations and/or State Activities staffs.

**Strategy III: Continue to encourage discussion among fire service leaders and concerned public officials about the need for thoughtful and effective fire prevention methods.**

See Appendix I for discussion of priority regions.

**Goals and Tactics:**

1. Publicize and promote TI-sponsored 1989 study on evaluating the effectiveness of public fire education programs through personal letters and presentations at fire service organization conferences.
2. Publish findings and publicize availability of the study in state and national fire service publications.
3. Encourage fire service, financial, education and other officials to comment on study in articles, speeches and

safety education programs.<sup>1</sup>

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correspondence with public officials.

4. Seek opportunities to work with and promote the objectives and activities of the Congressional Fire Services Institute.
5. Seek opportunities to address the board of directors of state, regional and national fire service organizations to brief them on the "fire-safe" cigarette issue and the status of federal "fire-safe" cigarette legislation.
6. Organize meetings with key fire service officials to brief them on the difficulties of producing a "fire-safe" cigarette.
7. Explore the possibility of working with industries that have demonstrated interest in fire safety (such as the insurance, lodging, heating or home building industries) on fire safety education projects aimed at reducing the incidence and severity of accidental fires.
8. Seek additional opportunities to assist key fire service organizations (e.g., IAFC, ISFSI, IAFF, NVFC, IABPFF, NFPA, Burn Concerns, Pan-Educational Institute) and their divisions, sections and committees, with programs and projects aimed at fire prevention.
9. Where appropriate, cooperate with Federal Relations and State Activities Divisions to arrange briefings on fire prevention issues between elected officials and representatives of the fire service.

**IV. Resources**

**A. Staff**

1. Public Affairs: Gleason, Fernicola, Issues Staff, Media Relations, Information Services, Production Services
2. State Activities: Yoe, appropriate field staff
3. Federal Relations: Lewis, Whitley, Vinovich, White, DeWitt, McGovern

**B. Consultants**

1. Fire experts: Phil Schaenman and Barbara Pendergist, TriData; Pete Sparber, Sparber and Associates; Carolyn Perroni, Carolyn Perroni

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**Communications, Inc.; Larry Zoeller, Zoeller and Associates; John Sroka, John Sroka Fire Safety Consultants**

2. **Appropriate legislative consultants**
3. **Public relations counsel**

**C. Materials**

1. **New Tools for Volunteer Fire Fighters**
2. **Firesafety. . .for the Rest of Your Life secondary school curriculum (currently being revised)**
3. **FireCare: Fire Safety for Senior Citizens**
4. **Fire Safety Education Evaluation Survey**
5. **FireSense: Fire Safety for the Deaf and Hearing Impaired**
6. **Research reports**
7. **Project L.I.F.E. elementary school curricula**
8. **Chinese-language smoke detector television public service announcement**
9. **Burn Concerns, Inc., Juvenile Firesetters Workshops**
10. **Reprints of appropriate articles**

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3. **FireCare: Fire Safety for Senior Citizens**
4. **Fire Safety Education Evaluation Survey**
5. **FireSense: Fire Safety for the Deaf and Hearing Impaired**
6. **Research reports**
7. **Project L.I.F.E. elementary school curricula**
8. **Chinese-language smoke detector television public service announcement**
9. **Burn Concerns, Inc., Juvenile Firesetters Workshops**
10. **Reprints of appropriate articles**

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**APPENDIX I**

**PRIORITY REGIONS**

Efforts will target the following states:

Arizona  
California  
Connecticut  
Florida  
Illinois  
Kansas  
Kentucky  
Louisiana  
Maryland  
Massachusetts  
Michigan  
Minnesota  
Nevada  
New Jersey  
New York  
Ohio  
Oregon  
Pennsylvania  
South Carolina  
Tennessee  
Texas  
Virginia  
Washington  
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**APPENDIX II**

**LIST OF FIRE SERVICE PUBLICATIONS**

**Fire Chief Magazine**  
William Randleman, Editor

**Firehouse Magazine**  
Janet Kimmerly, Executive Editor  
Harvey Eisner, Associate Editor

**Fire Engineering**  
Thomas W. Brennan, Editor

**American Fire Journal**  
John Ackerman, Publisher

**National Volunteer Fire Council Dispatch**  
Carolyn Perroni, Editor

**International Association of Fire Fighters Magazine**  
Alfred K. Whitehead, President

**The Voice**  
International Society of Fire Service Instructors  
Edward H. McCormack, Editor

**Fire Journal**  
National Fire Protection Association  
Kathleen Robinson, Editor

**Fire Technology**  
National Fire Protection Association  
John M. Watts, Jr., Editor

**Fire Command**  
National Fire Protection Association  
Joyce Keefe, Editor

**IAFC on Scene**  
International Association of Fire Chiefs  
Cathy Lemmon, Managing Editor

**International Connections**  
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Alice Pottmeyer, Managing Editor

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Captain Ted Holmes, Editor**

**Fire Marshals Association of North America Bulletin  
Robert B. Smith, Editor**

**IFSTA Newsletter**

**International Fire Service Training Association  
Gene Carlson, Managing Editor**

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**Size Up**

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Jack Lamboy, Editor**

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## COALITIONS

### I. Background and Assumptions

Coalition activities supportive of specific issues are described in the issues and media relations plans. In this plan, we propose activities to improve relations with groups and individuals that fall into three general categories: (1) the tobacco family, (2) coalitions with which we have existing relations among some but not all groups and/or on some but not all issues, and (3) coalitions with which we have no relationship as yet.

We also propose activities to respond to increased activity by the anti-smoking movement, particularly as this activity affects our relationship with our allies.

The success of many of these activities will depend upon the involvement and cooperation of staff from other divisions within The Institute, and from member companies and other tobacco-related organizations.

o The tobacco industry is a highly competitive assortment of individuals, businesses and trade associations. Unity of its competitors in public affairs represents the industry's greatest strength; conversely, disunity can be its greatest weakness.

o In dealing with public issues, the industry has come to rely more and more heavily on development of effective coalitions to complement and supplement its communications activities. The development, maintenance and involvement of coalitions by The Institute and its member companies has become a priority communications activity which has produced outstanding results.

o Our allies' greatest strength -- independence -- remains a limit on the effectiveness of these coalitions on our issues. Allies may not agree or even have an interest in all industry issues, and may not be willing or able to assist in all ways requested.

o Although a great deal of progress has been made in establishing and involving coalitions in our issue programs, a great deal of additional work remains, particularly in the areas of tobacco family and farm issues, minority and women's issues, and veterans' issues.

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o In order to attract allies and maintain their interest in our issues, The Institute must become more involved in responding to requests for assistance on non-tobacco concerns, and in identifying and offering assistance on some issues before we are asked.

o Anti-smoking organizations have begun to develop coalition programs of their own, targeting in many instances the industry's traditional support groups. We can expect efforts to isolate the industry from its allies to intensify as the anti-smoking movement coalesces around a few leaders.

## II. Objective

To establish and maintain working relations with other groups and individuals for the purpose of demonstrating broad support for industry positions and initiatives.

## III. Strategies, Goals and Tactics

Strategy I: Improve working relations with all major segments of the tobacco industry.

### Goals and Tactics:

1. Maintain and improve ongoing communications with the basic segments of the industry. Use established methods such as Institute publications, as well as guest columns in tobacco-related trade journals, and new means as appropriate.
2. Maintain awareness of tobacco issues among members of the Tobacco Action Network, by supporting regular mailings of issue materials to TAN volunteers. Complete mailings at least four times per year.
3. Provide editorial material and services for member company communications on public issues and, in support of State Activities and Federal Relations, undertake communications projects focused on specific events.
4. Provide public relations services and material in support of events, projects and communications sponsored by tobacco family groups.
5. Conduct and promote specialized briefings for family members: Mini "Tobacco Colleges" for sales force and other company meetings and for the NATD Day in Washington; conduct a labor/management seminar for tobacco family unions as appropriate; identify opportunities for similar sessions aimed at other industry segments.

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6. Assess continued support of Tobacco Growers' Information Committee. Similarly, support National Tobacco Council as requested by State Activities.
7. Continue to improve relations with the National Association of Tobacco Distributors by identifying joint projects supporting appropriate activities, and offering non-financial resources, including materials.
8. Improve relations with other industry trade associations, such as Tobacco Merchants Assn., Retail Tobacco Dealers Assn., Tobacco Associates, Cigar Association and Smokeless Tobacco Council, etc., by supporting appropriate activities identifying issues of joint interest, and offering, as appropriate, non-financial resources.
9. Identify officers and activists in tobacco family organizations willing to speak out on issues. Develop a program to train potential spokespersons. Offer media training as appropriate.
10. Working with NATD, accelerate development of relations with key wholesale and retail groups, including the National Assn. of Wholesale Grocers, the National Grocers Assn., the Food Marketing Institute, the National Assn. of Wholesale Distributors, the National Assn. of Convenience Stores, the General Merchandising Distributors Council, the Chain Drug Assn., and the National Wholesale Drug Assn. Identify issues of joint interest and offer, as appropriate, non-financial resources as assistance.
11. Work with Federal Relations and State Activities Divisions to improve relations with key growers' organizations and other farm groups. Identify issues of joint interest and provide support as appropriate.
12. Support as appropriate the Tobacco Industry Labor Management Committee.
13. Working through existing allies and our own information sources, continue to monitor programs under development by anti-smoking organizations.

Strategy II: Broaden relationships with non-tobacco groups with which we are now working; establish relationships with new groups.

**Goals and Tactics:**

1. Continue to establish relations with non-tobacco labor unions, particularly those representing white collar workers and manufacturing unions outside the tobacco industry. Expand relations from the national AFL-CIO to state labor federations, and local labor federations in major cities.<sup>2</sup>

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2. Establish and build on relations with minority councils within the AFL-CIO representing women, Hispanic and Black trade unionists and senior citizens, focusing on indoor air quality and tax and privacy issues that are of concern to other labor and liberal groups.<sup>2</sup>
3. Broaden membership of Tobacco Industry Labor Management Committee to include associations and unions representing supplier industries. Expand observer union status to include all labor/liberal organizations supporting the Committee's views on taxation and indoor air quality.
4. Schedule LMC meetings twice a year; in 1990, sponsor a reception for all members and observers to display Committee materials.
5. Support LMC and American Agriculture Movement efforts to solidify the farm-labor coalition. Sponsor regular meetings of coalition members.<sup>2</sup>
6. Build on existing relationships with women's and minority groups on tax, advertising, workplace and discrimination issues.<sup>2</sup>
7. Establish relationships with Asian retailer communities in major cities, e.g., Korean and Chinese businessmen.
8. Continue to establish relationships with groups representing the disabled on accidental fire (special needs), tax (regressivity) and workplace (equal access) issues.
9. Continue to establish and build on relations with key veterans' groups on sales and smoking restriction issues. Identify issues of joint interest and offer, as appropriate, non-financial resources as assistance.<sup>2</sup>
  - (a) Work with military and veterans groups to support the commissary and exchange system as an integral part of the compensation package. Position the issue as a threat to the lifestyle quality of affected groups.<sup>2</sup>
  - (b) Encourage and assist military and veterans groups in the preparation and submission of at least 10 articles and op-eds in publications aimed at military and veterans audiences on the importance of the commissary and exchange system.<sup>2</sup>
  - (c) Continue to cultivate relationships formed in 1989 with the Paralyzed Veterans of America and Non-Commissioned Officers Association.<sup>2</sup>

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**IV. Resources**

**A. Staff**

- 1) **Public Affairs: All staff**
- 2) **State Activities: Woodson, regional vice presidents, regional directors**
- 3) **Federal Relations: White, Leggett**
- 4) **Administration: Adams**

**B. Consultants**

- 1) **Public Relations Counsel**
- 2) **Labor Relations Counsel**
- 3) **Support to Labor Management Committee**
- 4) **Minority Counsel**

**C. Materials**

- 1) **Chase Econometrics studies**
- 2) **Tobacco Heritage publications**
- 3) **Issues materials are detailed separately in each issues plan**

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## ADVERTISING RESTRICTIONS

### I Background and Assumptions

o From the beginning, anti-smoking activists have claimed that tobacco advertising, promotion and various marketing techniques are calculated to increase the demand and expand the market for cigarettes. Such advertising and promotion, they charge, is designed to recruit new smokers from the ranks of "the young, the uneducated and vulnerable population groups at home and abroad who need to be protected."

o Following the failure in 1985 of the American Medical Association-sponsored total advertising and promotion ban proposal, anti-smoking advocates, led by Representatives Mike Synar (D-OK) and Tom Luken (D-OH), took a somewhat different track in 1989 by proposing advertising content control legislation.

o Although the Synar bill is slightly more stringent than the Luken version, both bills call for many restrictions the proponents argue would "protect" youth: an "addiction" warning label, limiting billboard advertisements, controlling vending machine sales to minors, banning sampling, eliminating brand sponsorship of sports, entertainment and cultural events, and prohibiting paid product placement, promotional tie-ins and promotional allowances.

o In addition, our opponents support legislation disallowing the tax deduction for advertising and promotional expenses, earmarking tobacco tax revenues for anti-smoking campaigns, putting tobacco products under FDA jurisdiction, removing the federal preemption of state warnings and advertising and repealing the U.S. trade policy relating to American cigarettes.

o Our allies, the civil liberties groups and the membership of the Freedom to Advertise Coalition, perceived the bills as tantamount to prohibition. They closed ranks to oppose the new legislation as a violation of the First Amendment. The American Civil Liberties Union termed the Synar bill "an ad ban in sheep's clothing."

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o The Responsible Living Program, which was temporarily halted at the beginning of 1989, is again active and Jolly Ann Davidson has begun a new schedule of media tours to promote the Helping Youth Decide (HYD) booklet. Matte service articles on the HYD booklet appeared in newspapers across the country and have generated thousands of new requests. These booklets have proven to be effective in helping parents and teens communicate about many important topics, including peer pressure and youth smoking. In addition, they have been helpful in showing legislators that that industry is serious in its commitment not to target teens.

o The Coalition for Affordable Sports and Entertainment (CASE) has been revitalized and expanded to include cultural and entertainment groups in addition to the original sports organizations. CASE can be counted upon to provide witnesses, written testimony and other third party support on the issue of sponsorship.

o Non-Tobacco Products and Services. A number of industries produce products or services that are highly unpopular with certain advocacy groups. With enactment of legislation censoring tobacco advertising and promotion, the commercial speech of these vulnerable industries would come under severe attack. They are natural allies and should be organized for mutual defense.

o Tobacco-Related Marketing. While the Synar/Luken bills make a show of not banning tobacco advertising, they do prohibit several promotion and merchandising practices. The businesses that are directly affected should also be organized in opposition.

o Meeting the challenge of our opponents' new tactics, which attempt to frame legislation as content control, rather than a ban and focus attention on the youth smoking issue, calls for us to respond with a three-point strategy:

1. Position anti-advertising bills -- from total bans and content control measures to counter-advertising and denial of deductibility -- as virtually equivalent First Amendment threats.
2. In light of the recent Supreme Court decision that apparently weakens the commercial speech protections established in the Central Hudson case, we may have to shift our emphasis away from First Amendment protections and position tobacco advertising and promotion as the first victim of regulatory zeal that could be directed at many other legal products. However, this decision also points

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out our need to continue to emphasize First Amendment arguments because they will remain important to our allies (economic and ideological) and Constitutional arguments will provide legislators with a rationale for supporting us.

3. Accurately portray our member companies as responsible corporate citizens, who truthfully and fairly market their products to adult smokers, not youth.

**Coalitions include:**

The Freedom to Advertise Coalition, the Inter-Agency Council, the Leadership Council on Advertising Issues, the Council for Commercial Freedom, the Advertising Tax Coalition, and the State Advertising Coalition

**Interest Groups include:**

A) Economic -- Those with a monetary interest in relatively unfettered commercial speech, such as firms and trade associations in advertising, newspaper and magazine publishing, outdoor advertising, broadcasting, point-of-purchase, sales promotion, marketing, sampling, sponsorship, and wholesale, retail and vending machine sales.

B) Ideological -- Those with a societal, constitutional, or political interest in free speech and related rights, such as the American Civil Liberties Union, the Washington Legal Foundation, law school professors, lawyer/economists, the American Bar Association, specialized national bar associations, state bar associations, the Freedom of Expression Foundation, professional groups of writers and editors of all media.

**II. Objective**

To discourage unnecessary and unfair restrictions that, directly or indirectly, adversely affect the legitimate and truthful brand advertising, promotional and marketing practices of the cigarette industry.

**III. Strategies, Goals and Tactics**

Strategy I: Increase official, media and public awareness that the right to advertise ("commercial speech") is protected by the U.S. Constitution, and that content control, deductibility restrictions, counter-advertising proposals and repeals of state preemption are all tantamount to an unconstitutional ad ban.

**Goals and Tactics:**

1. Continue to commission legal and constitutional analysis on all new legislative proposals. These can be given in legal form to some of our allies and popularized for use as a leave-behind by allies in their hill and media visits.

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B) Ideological -- Those with a societal, constitutional, or political interest in free speech and related rights, such as the American Civil Liberties Union, the Washington Legal Foundation, law school professors, lawyer/economists, the American Bar Association, specialized national bar associations, state bar associations, the Freedom of Expression Foundation, professional groups of writers and editors of all media.

**II. Objective**

To discourage unnecessary and unfair restrictions that, directly or indirectly, adversely affect the legitimate and truthful brand advertising, promotional and marketing practices of the cigarette industry.

**III. Strategies, Goals and Tactics**

Strategy I: Increase official, media and public awareness that the right to advertise ("commercial speech") is protected by the U.S. Constitution, and that content control, deductibility restrictions, counter-advertising proposals and repeals of state preemption are all tantamount to an unconstitutional ad ban.

**Goals and Tactics:**

1. Continue to commission legal and constitutional analysis on all new legislative proposals. These can be given in legal form to some of our allies and popularized for use as a leave-behind by allies in their hill and media visits.

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2. Identify an attorney who is willing to carry the message that Synar/Luken and other proposals that threaten commercial speech are unconstitutional. This person could speak at local bar associations, law school symposia, etc.
3. On a regular basis, we should reach out to the legal trade press, i.e., ABA Journal, Legal Times, as a means of educating the legal profession about the unconstitutionality of Synar/Luken and other proposals.<sup>1</sup>
4. Develop, with advertising allies, materials authored by prominent advertising executives to be used as a leave-behind for legislative visits and targeted op-eds, to help educate policymakers about advertising and promotional practices.<sup>1</sup>
5. By the second quarter of 1990 develop an advertising and promotion seminar for policymakers sponsored by an advertising trade association. The program panel would consist of advertising executives and academic experts who would explain that cigarette advertising is geared to brand switching and demonstrate that advertising does not "cause" young people to begin smoking.<sup>1</sup>
6. Share information and provide legislative and other support to all coalitions and interest groups on all new activities and developments in this issue area; research and report on all efforts, whether legislative or grass-roots, to deny commercial freedom of expression; provide promotional support for all projects and activities of advertising allies as appropriate; and encourage existing allies to contact other potential coalition members.<sup>1</sup>
7. Provide some support to allies to assist in the creation of state and local coalitions.
8. Assist promotional activities of state and local coalitions, including editorial visits, media tours, op-ed articles, broadcast appearances and legislative visits in key districts.
9. Commission studies demonstrating the anti-competitive effects of ad restriction proposals on affected industries to persuade leaders of those industries to become involved, and stay involved, in fighting restrictive legislation.
10. Assist allies in communicating their positions to elected officials.

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11. Encourage op-ed features by legal and advertising experts in the general news media arguing that commercial freedom of expression is protected by the First Amendment and that content control is tantamount to a ban.
12. Encourage placement of one signed article by each of our allies' top executives in relevant business and professional publications.
13. Organize consulting lawyers/economists ad hoc group, Friends of the First Amendment (FFA). Produce one joint paper, one mini-conference and one news conference in 1990 on the new threats to commercial speech, i.e., new Supreme Court decision, restrictions on ads in other industries.<sup>2</sup>

**Strategy II:** Demonstrate that the proposed restriction of tobacco advertising and promotion sets a dangerous Constitutional and economic precedent for discriminating -- both at home and abroad -- against other products and services.

**Goals and Tactics:**

1. Research and document new commercial speech threats to other industries being made by consumer advocacy groups.
2. Contact other industries threatened by attacks on commercial speech and encourage their participation in a joint effort to fight such attacks.

The high profile report of the Surgeon General's Task Force on Alcohol Abuse makes obvious allies of such groups as the Distilled Spirits Council of the U.S., the Beer Institute and the Wine Institute. In addition, the Pharmaceutical Manufacturers Association, the Non-Prescription Drug Manufacturers Association and related distributor groups and media groups, including broadcast associations, may be interested in joining forces on these issues.

3. Illustrate what "Synarized" or "Lukenated" advertisements for other products would look like. Develop these in a video or print ad format, so they could be included in allies' promotional campaigns.
4. Develop informational documents and issue papers that would make other groups aware of the precedent-setting threat of Synar/Luken.
5. Encourage the vending machine industry and those industries in which the machines are located, e.g., taverns, restaurants, automated food services, to demonstrate the threat that advertising, promotional and sales restrictions will have on their industries.

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6. Support organizations adversely impacted by the severe censorship provisions of content control legislation that would eliminate:

- sports, cultural, entertainment sponsorship;
- promotional tie-ins with products;
- product placements;
- promotional allowances; and
- E -- point of purchase advertising.<sup>2</sup>

Such groups would include:

The Coalition for Affordable Sports and Entertainment  
National Association of Tobacco Distributors, Food  
Marketing Institute, National Association of Convenience  
Stores and similar trade organizations.

Support may include:

- Producing statements describing the scope, nature and importance of sponsorship to events and communities, i.e., financial support, encouragement of new participants, and economic aid to small groups and communities.
- E -- ~~Analyzing the demographics~~ of various sponsored events to show that they are not youth-oriented.

7. Promote awareness of this information through targeted communications directed at:

- "Event" audiences
- "Event" media
- Elected officials of "event" locations

E Materials should encourage letters to public policymakers and should include advertisements for event programs, posters and pamphlets.<sup>2</sup>

8. Create a government relations task force for CASE and encourage it to contact and educate key public policymakers on the importance and limitations of promotional activities.<sup>1</sup>

9. Work in a similar fashion through member companies with cultural and arts groups which these member companies support. Encourage them to communicate their concern to elected officials.<sup>1</sup>

10. Similarly, in international trade, establish a coalition of American groups opposed to restrictions on the export of cigarettes and other products. The NAM International Trade Committee, which has already been active, could serve as a core group.

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This coalition will:

- Support continued USTR, Commerce and State Department jurisdiction in all trade matters.
  - Promote the fact that tobacco products are among the very few items that contribute to a positive balance of payments.
  - Testify to Congress that the U.S. has no business or authority dictating the regulatory policies of other nations.
  - Sponsor at least one symposium on the harmful effect of "amateurs" meddling with American trade policy. Use cigarette exports as an example.
11. Become actively involved in associations dealing with trade issues, as a means of maintaining alliance and credibility on trade issues in general.
  12. Survey existing data and conduct additional research as necessary to confirm the economic importance of present U.S. export policy and the harm that would be inflicted by anti-smoking interference.

Strategy III: Demonstrate that the industry does not want children to use its products and has taken positive steps to discourage such use.

Goals and Tactics:

- ① Determine the feasibility of three new programs to:
  - ① -- Create a new industry advertising and promotion code that would cover all sales promotion practices that become controversial because of exposure to youth, black, Hispanic or other allegedly vulnerable audiences.
  - ② -- Publicly support enactment of smoking age laws in the few states which do not have legislation on the books.
  - ③ -- Develop a cooperative program with retailers, especially convenience stores, encouraging compliance with smoking age laws via point-of-purchase and other informational materials.
2. Develop and package retail sales alert case histories for presentation at hearings, legislative briefings, and news conferences.

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3. Incorporate current Responsible Living Program materials into a broader program that includes smoking-specific material.
4. Continue to promote and distribute Helping Youth Decide through targeted media tours and placement of news stories through a mat service.
5. Conduct media tours and promotional visits by Jolly Ann Davidson in up to six major markets in 1990.

IV. Resources

A. Staff

1. Management: Gleason, Panzer, Bruce
2. Division staff: Media Relations, Production Services and Information Services
3. Other staff: State Activities and Federal Relations

B. Consultants

1. Economic consultants
2. Education organizations and consultants
3. Public relations counsel
4. Survey research firms, as necessary
5. First Amendment consultants

C. Materials

Booklets, folders, news releases, content-control visuals, audio/video tapes, HYD/HYSN materials, other printed materials.

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**PUBLIC SMOKING**

The overall objectives of the public smoking programs are:

To defeat mandatory and voluntary smoking restrictions.

To counter the decline of the social acceptability of smoking.

To increase the approaches used to bring to the media the industry position on ETS and alleged health effects.

To re-establish and reinforce with journalists the controversial and inconclusive nature of the scientific evidence on ETS.

To demonstrate to the media and the general public that breakdowns in scientific integrity -- bias, error, and intentional fraud in the scientific process -- are leading to dangerous distortions of the truth and resulting in unreasonable fears, hysteria and false alarms.

**Indoor Air Quality**

**I. Background and Assumptions**

o Most smoking restrictions and smoking restriction legislation are based on the alleged health effects of environmental tobacco smoke (ETS) on the nonsmoker. The 1986 reports by the Surgeon General and by the National Academy of Sciences continue to be the primary fuel of legislative activity.

o Anti-smokers also are likely to promote the findings and recommendations of the U.S. Environmental Protection Agency's "Fact Sheet" on ETS, released in June 1989, in their efforts to bring about legislated and voluntary smoking bans.

o Although there are other views of ETS science, it has been difficult for scientists with these viewpoints to express themselves within the scientific community. A network of anti-smokers in leadership positions effectively muzzles those with opposing views; publication of articles with these views is difficult.

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Note: Items footnoted with a "1" indicate items that have been added since last year's plan; items footnoted with a "2" indicate items that have been significantly expanded from last year's plan.

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o Media coverage of ETS is shifting away from portraying ETS as a controversial scientific issue. Journalists are, increasingly, failing to apply standards of objectivity when reporting on anti-smoking claims of health effects alleged to be caused by exposure to ETS.

o The Institute has aggressively promoted the industry's point of view on ETS and indoor air quality. However, as ETS press coverage becomes less balanced and less factual, the link between ETS and indoor air quality is diminished.

o Renewed efforts, using new and creative approaches, are necessary to promote scientific objectivity with respect to ETS. While third-parties can be helpful on indoor air quality issues, it remains The Institute's role to act as advocate for the industry perspective on ETS.

o Although the broader issue of indoor air quality has received increased public attention, ETS continues to be viewed as a separate and distinct issue. Smoking restrictions continue to be seen as an effective way to improve indoor air quality.

o The effort in the mid-1970s to conserve energy by reducing ventilation and tightening building insulation has contributed to building occupant illnesses.

o In 1989, the American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) concluded its revision process and adopted a new ventilation standard of 20 cubic feet per minute per person for office environments without regard to smoking. The new standard replaced a bifurcated standard that distinguished between smoking and nonsmoking areas.

o Many indoor air components are regulated through OSHA for industrial workplaces; there are, however, few regulations for the white collar workplace. Federal and state regulators have taken preliminary steps in this area and ETS is among their first targets. The EPA has issued its "Fact Sheet" and is near completion of a "handbook" and risk assessment on ETS. California has required employers and operators of places of public accommodation to post warnings that exposure to ETS may be harmful. A Massachusetts commission on indoor air pollution issued a report that was less concerned about source control and emphasized improved ventilation.

o Legislation is pending in Congress that would empower the Environmental Protection Agency (EPA) to regulate components of indoor air, including ETS. In the summer of 1989, EPA submitted a report to Congress proposing an ambitious research and public education program on components of indoor air. The research would include risk assessment studies that could lead to regulation of individual substances.

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o A number of states and localities have begun considering legislation to mandate ventilation standards for workplaces and public buildings. In 1989, Oregon and Washington passed laws requiring reviews of their building codes and adoption of ventilation standards consistent with ASHRAE recommendations. With formal adoption, in 1989, of the revised ASHRAE ventilation standard, efforts to mandate ventilation standards by legislation are likely to increase.

o The business community typically does not support legislation to mandate ventilation standards; some businesses, however, may support ventilation standards if they are already in compliance or if they perceive a financial interest in doing so.

o Owners of older buildings with poor or outdated air handling systems may incur substantial costs in complying with new or revised ventilation standards. Costs for owners of newer buildings may not be as high.

o Organized labor supports ventilation standards as an improvement in working conditions. Some unions also view ventilation standards as a "jobs" issue.

o The "freedom of choice" argument has become increasingly less compelling because anti-smokers have used a parallel argument -- "freedom to breathe smoke-free air" -- with some success. The concept of "indoor air quality" (with an emphasis on scientific and technical issues) has much more credibility and attracts a wider audience.

o Many anti-smokers may support ventilation standards, although not in lieu of existing smoking regulations.

## II. Strategies, Goals & Tactics

Strategy I: Focus greater attention on the inconclusive nature of the scientific data regarding the alleged health effects of ETS. Increase awareness of the need for more and better research on the relationship between ETS and health claims.

### Goals and Tactics:

1. Maintain a well briefed and up-to-date scientific consultant team, capable of conducting briefings on ETS research with state and local public policymakers, of testifying before state and local legislative bodies, and of conducting media tours on the scientific issues.

2. Develop and maintain a well briefed group of academic consultants able to review ETS literature for scientific media, respond to ETS research published in the scientific media, and conduct briefings and present testimony before Congress as well as federal and state regulatory agencies. Encourage publication of at least four major analyses of the relationship between ETS and health claims during 1990.

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3. **Ensure participation of scientific consultants in national and international symposia on the relationship between ETS and health claims.**
4. **Conduct detailed analyses of all anti-smoking research; aggressively criticize -- via briefings, publications, letters-to-editors -- all shortcomings regarding ETS research.**
5. **Update "white papers" on ETS research, reflecting new studies and critiques. Distribute to and brief legislators and other public and private decision makers.**
6. **As additional information on and critiques of shortcomings regarding ETS research become available, incorporate into briefings to legislators and other public and private decision makers.**
7. **Review and submit comments on proposed federal government research on ETS. Through Federal Relations Division staff, encourage congressional appropriations committees to raise questions about the validity of current federal research programs on ETS.**
8. **Consider conducting opinion research regarding the intensity of public attitudes on ETS science for use in refining messages.**

**Strategy II: Encourage continued participation in efforts that objectively assess ETS in the context of all indoor air quality factors.**

**Goals and Tactics:**

1. **Continue to encourage scientific research and publication of articles that objectively assess ETS in the context of all indoor air quality factors.**
2. **Encourage continued and expanded participation by scientific consultants on committees of organizations studying indoor air quality.**
3. **Conduct at least one indoor air quality consultant and two ETS Truth Squad media tours per month.**
4. **Commission from consulting scientists a series of ETS-science op-eds and encourage placement in regional newspapers.**

**Strategy III: Bring a "foreign" perspective on ETS science to U.S. journalists so that the U.S. media can better understand the controversial nature of anti-smoking claims about ETS from an international, scientific perspective.**

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5. **Update "white papers" on ETS research, reflecting new studies and critiques. Distribute to and brief legislators and other public and private decision makers.**
6. **As additional information on and critiques of shortcomings regarding ETS research become available, incorporate into briefings to legislators and other public and private decision makers.**
7. **Review and submit comments on proposed federal government research on ETS. Through Federal Relations Division staff, encourage congressional appropriations committees to raise questions about the validity of current federal research programs on ETS.**
8. **Consider conducting opinion research regarding the intensity of public attitudes on ETS science for use in refining messages.**

**Strategy II: Encourage continued participation in efforts that objectively assess ETS in the context of all indoor air quality factors.**

**Goals and Tactics:**

1. **Continue to encourage scientific research and publication of articles that objectively assess ETS in the context of all indoor air quality factors.**
2. **Encourage continued and expanded participation by scientific consultants on committees of organizations studying indoor air quality.**
3. **Conduct at least one indoor air quality consultant and two ETS Truth Squad media tours per month.**
4. **Commission from consulting scientists a series of ETS-science op-eds and encourage placement in regional newspapers.**

**Strategy III: Bring a "foreign" perspective on ETS science to U.S. journalists so that the U.S. media can better understand the controversial nature of anti-smoking claims about ETS from an international, scientific perspective.**

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**Goals and Tactics:**

1. Identify appropriate academic scientists from other countries to speak with the media in the U.S.<sup>1</sup> Promote scientists' views on media coverage of ETS issues, including:
  - A. While the Surgeon General and National Research Council assert a link between ETS and lung cancer, the World Health Organization's International Agency for Research on Cancer and the American Cancer Society have concluded that the link is insufficient.<sup>1</sup>
  - B. The majority of studies U.S. anti-smokers cite do not, in fact, establish links between exposure to ETS and adverse health effects.<sup>1</sup>
  - C. Of the studies of ETS and lung cancer, the majority do not show a statistically significant risk.<sup>1</sup>
  - D. Exaggerations and misrepresentations of science are often reported without question in the U.S., creating a climate that is not replicated in other parts of the world.<sup>1</sup>
2. Coordinate schedules to arrange for foreign scientific consultants to attend appropriate scientific conferences in the U.S., beginning in the fall of 1989. Consider promoting a scientific meeting, if coordinating with a scheduled event is not feasible.<sup>1</sup>
3. Arrange for editorial board briefings and media interviews by foreign scientific consultants who attend scientific conferences in the U.S. Institute media relations staff will accompany visiting scientists at these briefings and interviews.<sup>1</sup>
4. Encourage foreign scientific consultants, as well as U.S. scientific consultants, to promote aggressively reports from appropriate conferences on ETS.<sup>1</sup>

**Strategy IV:** Encourage a credible independent analysis of the way journalists cover controversial scientific issues, especially ETS.<sup>1</sup>

**Goals and Tactics:**

1. Develop materials to make the case that faulty scientific studies are carried, often with factual errors or without perspective, to the public through the media.
  - A. Identify and compile case histories of scientific errors and faulty reporting; look beyond ETS to include caffeine, alcohol, cyclamates, VDTs, etc.<sup>1</sup>

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B. Including the supporting science, develop a "white paper" that outlines the faulty reporting -- whether lack of perspective or the lack of news coverage devoted to changes in scientific opinion and contrary findings.

2. Encourage a columnist, professor of journalism or other appropriate individual to review the materials and write and place an article on the poor quality of journalism applied to matters of high-profile, politically sensational science.

A. Encourage placement in an appropriate journalism review publication.

B. Use as appropriate in op-eds and columns for broader distribution.

3. Distribute materials and "white paper" to staff and to consulting scientists and economists; utilize when working with the media.

4. Work with a journalism foundation to encourage a seminar on coverage of science in the media, focusing on ETS as one case study.

Strategy V: Provide reporters with information that will foster a better understanding of the nature and findings of scientific research on ETS so that media coverage is more balanced and accurate. Rebut and clarify all news reports on ETS that are inaccurate or do not include a balance of viewpoints.

Goals and Tactics:

1. Develop a briefing book that:

A. Surveys the scientific literature on ETS (reviews as well as individual studies).

B. Provides information on the nature of epidemiology.

C. Provides information on the criticisms and inconsistencies in the scientific literature.

2. Distribute the briefing book to reporters who currently report on ETS issues or who may do so in the future.

A. Conduct a search to identify those reporters who regularly cover ETS to determine initial recipients.

B. "Test market" the materials by mailing to journalists in a single media market; follow up with personal visits by TI staff and consulting scientists. Revise briefing book to increase its value to the media based on reception in the test market.

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- C. Distribute revised briefing book to those journalists identified as regular reporters on the issue; follow up with personal visits as appropriate.
  - D. Consider wider distribution (e.g., to all science and health reporters).
3. Update the briefing book as additional studies or reviews are published.
    - A. When information is available before a study or review is published, use the briefing book and the prepared update with key reporters in advance of publication.
    - B. Follow up any study receiving publicity with current and topical information.
  4. Use individual sections of the briefing book as appropriate with journalists covering a specific aspect of the issue.
  5. Regularly monitor newspaper clips and broadcast transcripts to identify reports requiring responses.
  6. Conduct electronic searches to identify newspapers carrying wire service reports requiring responses.
  7. Using scientific consultants and staff, attempt to respond to 100 percent of ETS news reports. Distribute responses and related information to staff, member companies and media outlets.

U Strategy VI: Publicize and explain why the scientific peer review process is limited and fallible and has other weaknesses.

Goals and Tactics:

1. Develop a body of research on the peer review system and its inadequacies.
2. Identify an expert consultant who is respected within the scientific community and who can write and place papers on the operations and limitations of the peer review system.
  - A. Commission an article concerning the limitations of scientific peer review for placement in a scientific journal.
  - B. Use arguments from the article as the basis for op-ed columns for more general distribution.
  - C. Incorporate placed article and columns in a group of materials used in media responses to any future inaccurate scientific study or report.

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- D. Carry the message of peer review inadequacies to key media.
- 3. Employ experts, articles or materials as appropriate when working with media and decision makers.

① Strategy VII: Promote the position that the general public is being overwhelmed with conflicting information about reasonableness of behavior and factors of risk. Encourage accurate, balanced information regarding reasonableness of behavior and factors of risk.

**Goals and Tactics:**

- 1. Develop a body of research that establishes cases of questionable science leading to a poor balance between reasonableness and risk (science frauds and false alarms).
- 2. Develop arguments that highlight the lack of reliable risk assessment data.
- ③ 3. Identify authors and spokespersons who are prepared to review materials and write and place articles as well as meet with the media on different aspects of the issue of reasonableness/risk and scientific fraud.
  - A. Utilize consulting economists to write and place articles on the economic impact of this issue.
  - B. Identify consulting scientists who can write and talk about the limits of science and risk analysis.
  - C. Where appropriate, conduct media tours with consulting spokespersons.
  - D. Identify and develop opportunities for consulting spokespersons to meet with editorial boards.
  - E. Publicize messages through "paid" media opportunities such as matte services and video news releases.
- ④ 4. Attempt to develop coalitions with groups impacted by bad science involved in quantitative risk analysis.
- 5. Distribute materials to staff, consultants and member companies; utilize when working with media and decision makers.

① Strategy VIII: Illustrate the cost to business and society of politically motivated or exaggerated science, especially when it comes to ETS.

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**Goals and Tactics:**

1. Identify expert consultants who can discuss examples of "health scares" leading to regulatory action and resulting in costs to business. The experts will discuss the shortcomings in the science that led to government action, including the peer review and funding processes of such science. Examples could include VDTs, alar, ETS, cyanide on grapes, cyclamates.
  - A. Work with an independent producer to develop a series of video segments on this theme using these and other examples.
  - B. Publicize through "paid" media opportunities such as video news releases.
2. Call upon consulting public choice economists to explain the direct and hidden costs of government intervention in business affairs, and to point out that while government may have an appropriate role in some areas of regulation, regulation carries costs and therefore must be based on sound science.
3. Seek third-party involvement. Other business organizations may have an interest in supporting this project.

Strategy IX: Publicize the financial, for-profit interests of the anti-tobacco scientific community that can lead to tainted scientific results.

**Goals and Tactics:**

1. Conduct extensive research on the funding of the anti-tobacco scientific community to determine sources of direct funding and grants for scientific projects, as well as potential economic interests in other areas, including interests in products or programs.
2. Develop an inventory of scientific abuses by the anti-smoking community in an effort to demonstrate a relationship between scientific abuses and pecuniary interests.
3. Distribute results of research and inventory of data among critical media and decision makers.
  - A. Conduct one-on-one briefings where appropriate.
  - B. Utilize consulting economists to write about the impact of such fraud and bias.
  - C. Publicize messages through "paid" media opportunities such as mattee services and video news releases.

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4. Distribute materials to staff, consultants and member companies; utilize when working with media and decision makers.

**Strategy X:** Focus greater attention on the need for improved ventilation systems or more efficient use of existing systems.

**Goals and Tactics:**

1. Through placement of articles, messages in ACVA and "Truth Squad" media tours, presentations to labor groups and Institute publications, increase awareness and acceptance of the new ASHRAE ventilation standard as a means of resolving indoor air quality problems. Target information to all groups potentially interested in adoption of the standard, including health and environmental groups; employee organizations; building owners, managers and engineers; architects; and interior designers. Make consultants available to participate in conferences, workshops and seminars, to prepare articles for trade publications, and to engage in other educational activities as appropriate.<sup>2</sup>
2. Complete op-ed mailings, with articles authored by indoor air quality/ventilation experts, in targeted areas in which smoking restrictions and/or indoor air quality issues are under consideration.<sup>2</sup>
3. Develop and publicize arguments that cleaning up the indoor air improves productivity and thus results in savings to the employer, rather than expense. Add to existing corporate materials and promote in presentations to corporations, state and local Chambers of Commerce, etc.
4. Seek passage of legislation providing a tax credit to building owners who can certify that they meet the ASHRAE ventilation standard.<sup>1</sup>
5. Through direct mail to the corporate community and to state and local chambers of commerce promote consultant indoor air quality/ventilation services as a means of cleaning up the indoor air.

**Strategy XI:** Continue to broaden political and professional relationships with organizations and individuals concerned with the issue of indoor air quality.

**Goals and Tactics:**

1. Conduct briefings on the indoor air quality issue with at least 1,000 officials from labor, industry, trade and environmental groups and the media throughout 1990. Expand briefings before state/local labor councils, including the

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- A. Philip Randolph Institute (APRI), the Coalition of Labor Union Women (CLUW) and the Labor Council for Latin American Advancement (LCLAA), on workplace smoking issues.<sup>2</sup>
2. Assist interested labor organizations, including CLUW, LCLAA and APRI, in developing position statements and corresponding materials in support of broad indoor air quality standards and regulations.<sup>1</sup>
  3. Assist CLUW in the development, production and promotion of a study on health and safety issues facing women in the workplace.<sup>1</sup>
  4. Identify and promote positive case studies where indoor air quality was improved through changes in air handling systems and without restricting smoking.
  5. Continue support of National Energy Management Institute (NEMI) indoor air quality project, through the Tobacco Industry Labor Management Committee. Identify appropriate NEMI spokespersons and promote the project as appropriate.
  6. Through the Tobacco Industry Labor Management Committee, and consultant organizations, continue to identify opportunities to conduct building ventilation studies in areas or among employers considering smoking restrictions. Support the efforts of the Safe Workplace Air Coalition and of local unions to promote indoor air quality awareness.
  7. Utilize materials prepared for organized labor to encourage state and local labor councils/international unions to negotiate during contract talks for reasonable accommodation of workers who smoke, and to view smoking restrictions in the broader context of indoor air quality.
  8. Expand the use of state labor consultants, to generate indoor air quality briefings of labor organizations, labor media, and other liberal organizations. These consultants also would represent the Tobacco Industry Labor Management Committee in other coalition efforts with organized labor/liberal groups.
  9. Continue support of NEMI newsletter, promotional materials and advertising. Provide for grants to enable NEMI to assist allies in developing plans to respond to alternatives to smoking restriction legislation.
  10. Expand training and promotion of NEMI indoor air quality technicians and contractors. Conduct at least two NEMI indoor air quality training seminars in each region during 1990 and begin to market aggressively NEMI-certified contractor and technician services. Identify and train additional NEMI spokespersons at the national and regional levels.<sup>2</sup>

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11. Increase NEMI's legislative presence at the federal and state level. Promote testimony on legislation regarding indoor air quality and ventilation standards. Encourage media activity by NEMI spokespersons in conjunction with legislative efforts.
12. Seek opportunities to support indoor air quality seminars -- sponsored by NEMI, liberal/labor organizations or trade groups -- as additional speaking forums for IAQ experts. Promote as appropriate.
13. Continue to support the use of the NEMI indoor air quality exhibition booth at trade shows, conventions, etc. Use to promote labor's indoor air quality videos, materials, etc.
14. Continue production of articles on indoor air quality as a workplace issue for submission to union publications. Promote reprints as appropriate.

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**Corporate/Smoker Assistance**

**I. Background and Assumptions**

o In addition to concerns about the alleged effects of ETS on nonsmoker health, most smoking restrictions and smoking restriction legislation proponents are strongly motivated by annoyance. The 1986 reports by the Surgeon General and the National Academy of Sciences, as well as EPA's 1989 "Fact Sheet" on ETS, continue to fuel smoking restriction legislation.

o Federal, state, local and private smoking restriction activity continues. Since the first public smoking legislation was passed in 1973, some 42 states and more than 500 localities have restricted smoking in public places. Of these, 12 states restrict smoking in the private workplace and 26 states address smoking in government offices. In addition, more than 275 localities restrict smoking in the workplace.

o While many private employers who regulate smoking attempt to accommodate smokers and nonsmokers, some feel it necessary to implement smoking bans and discriminatory hiring policies. The business community and the news media perceive a trend toward severe smoking restrictions. This perception is supported in part by surveys showing that more and more companies are voluntarily adopting restrictive policies.

o Employers are receiving substantial pressure from anti-smoking organizations to severely restrict smoking purportedly to protect public health and, at the same time, to save on insurance costs, reduce absenteeism and thereby increase profits. In addition, nonsmoking employees are beginning to exert similar pressure and demanding that management accommodate them.

o Many employers would prefer to develop their own responses to the issue rather than respond to specific legislation or to anti-smoker demands; however, there appears to be a trend toward support of legislation or total bans as simple ways to handle a potentially difficult issue.

o The Institute continues to make available an array of resources to assist employers and others dealing with the public smoking issue in a responsive and reasonable manner. Although The Institute has provided assistance to a number of companies and public entities, many continue to be unaware of our resources or unwilling to consult us as a credible source of reasonable information.

o As legislative measures restricting smoking in public places and the workplace have proliferated, a climate has been created that encourages public and private actions that discriminate against and harass smokers.

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**Corporate/Smoker Assistance**

**I. Background and Assumptions**

o In addition to concerns about the alleged effects of ETS on nonsmoker health, most smoking restrictions and smoking restriction legislation proponents are strongly motivated by annoyance. The 1986 reports by the Surgeon General and the National Academy of Sciences, as well as EPA's 1989 "Fact Sheet" on ETS, continue to fuel smoking restriction legislation.

o Federal, state, local and private smoking restriction activity continues. Since the first public smoking legislation was passed in 1973, some 42 states and more than 500 localities have restricted smoking in public places. Of these, 12 states restrict smoking in the private workplace and 26 states address smoking in government offices. In addition, more than 275 localities restrict smoking in the workplace.

o While many private employers who regulate smoking attempt to accommodate smokers and nonsmokers, some feel it necessary to implement smoking bans and discriminatory hiring policies. The business community and the news media perceive a trend toward severe smoking restrictions. This perception is supported in part by surveys showing that more and more companies are voluntarily adopting restrictive policies.

o Employers are receiving substantial pressure from anti-smoking organizations to severely restrict smoking purportedly to protect public health and, at the same time, to save on insurance costs, reduce absenteeism and thereby increase profits. In addition, nonsmoking employees are beginning to exert similar pressure and demanding that management accommodate them.

o Many employers would prefer to develop their own responses to the issue rather than respond to specific legislation or to anti-smoker demands; however, there appears to be a trend toward support of legislation or total bans as simple ways to handle a potentially difficult issue.

o The Institute continues to make available an array of resources to assist employers and others dealing with the public smoking issue in a responsive and reasonable manner. Although The Institute has provided assistance to a number of companies and public entities, many continue to be unaware of our resources or unwilling to consult us as a credible source of reasonable information.

o As legislative measures restricting smoking in public places and the workplace have proliferated, a climate has been created that encourages public and private actions that discriminate against and harass smokers.



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o Many smokers currently are covered by smoking restriction laws or ordinances and are subject, in the event of noncompliance, to a variety of statutory penalties. Many of the pertinent measures are vague, and compliance is sometimes difficult. Inconsistent and discriminatory enforcement of smoking restriction statutes also can create serious problems.

o Many smokers also face discrimination as a result of voluntary restrictions imposed by private employers and the managers of places open to the public. Such discrimination takes a variety of forms -- refusing to hire smokers, giving smokers undesirable work assignments or work spaces, discriminating against smokers in promotion or actually firing employees who smoke.

o Smokers continue to rely heavily on The Institute for information and support in opposition to legislated and private smoking restrictions and corresponding discrimination.

## II. Strategies, Goals & Tactics

Strategy I: Work with employers and business organizations to increase awareness and credibility of The Institute's workplace programs. Encourage reasonable employer response to employee demand for smoking restrictions.

### Goals & Tactics:

1. Continue targeted mailings of resource guides and other materials establishing The Institute's expertise and willingness to provide assistance. In consultation with State Activities Division, prioritize mailings according to states and localities that are facing workplace smoking legislation.
2. Continue the search for workplace smoking policies that attempt to accommodate smokers and nonsmokers alike. Promote these reasonable policies to employers who are addressing the issue or who are responding to state and local legislation. Reasonable responses will accommodate smokers and nonsmokers without allowing an individual or a group of individuals to dictate preferences.
3. Conduct workplace smoking issue briefings for firms that are facing the issue. Identify opportunities for corporate briefings with:
  - A. Recipients of our targeted mailings and phone calls.
  - B. Referrals from state and local chambers of commerce.
  - C. Referrals from member companies.

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Briefings will be conducted by Institute staff and consultants, including labor specialists, ventilation experts, management consultants.

4. Promote effective ventilation, air filtration/cleaning technology as a viable alternative for employers considering smoking restrictions. Develop materials outlining low-cost approaches to improved ventilation systems; use materials in communications with employers.
5. Produce and promote responses to articles that recommend unreasonable and unfair solutions to workplace smoking issues.
6. Produce and promote to the corporate community a brochure refuting fallacious arguments purporting to prove that smokers are more costly to employ than nonsmokers. Utilize the economic research underway in the Social Costs issue plan.
7. Continue to produce and promote John Fox's monthly seminars and media tours on workplace smoking legal issues. Seek opportunities for Fox to make presentations at bar association conferences and continuing legal education seminars.
8. Continue to promote as appropriate the law review articles published by John Fox in the California Western Law Review, the Campbell Law Review and Labor Law Journal, and by Dennis Vaughn in the Employee Relations Law Journal.
9. Expand indoor air quality consultant promotional activity to the corporate community. Develop an article promoting improved fresh air ventilation as a simple, cost-effective means of raising productivity. Promote the article in trade press.
10. Working with regional staff, continue to develop and promote employer guides to workplace smoking sponsored by state and local business organizations.

**Strategy II:** Promote The Institute as an entity that is prepared to assist smokers in asserting their rights in the workplace and in public places.

**Goals and Tactics:**

1. Update Institute field staff, legislative counsel and company personnel on public affairs program for handling smoker discrimination incidents.

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2. Continue to develop, promote and distribute materials for smokers who have experienced discrimination, including "Smokers' Rights in the Workplace: An Employee Guide," reprints of articles, legal memoranda, etc. Promote through member-company constituent contact programs, the Tobacco Action Network and smokers' rights groups.

**Strategy III:** Seek opportunities to broaden the concept of smokers' rights and generally to establish favorable precedents for smokers, while also providing assistance to individual smokers in appropriate circumstances.

**Goals and Tactics:**

1. Review pertinent publications (newspapers, employment law reporters and other publications) for incidents of discrimination or harassment involving smokers. Work with legal counsel to assist in such litigation.
2. Work with legal counsel to identify cases or proceedings in which an anti-smoker is seeking to have smoking restricted or claiming damages or other relief because smoking has not been restricted. Assist in opposition as appropriate.
3. Continue to brief organized labor on smoking issues as a collective bargaining matter. Seek opportunities to make presentations to national, state and local labor councils, to conventions of individual unions, either in conjunction with current indoor air quality presentation or alone. (See Indoor Air Quality Program, Strategy IV, Tactic 1.)
4. Seek opportunities to brief representatives from minority bar groups and other minority organizations. Seek resolutions or statements of position opposing discrimination against smokers.

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**Smokers as Customers**

**I. Background and Assumptions**

o Subjected to heavy anti-smoker pressure and perceiving a greater demand to provide smoke-free or separate smoking and nonsmoking environments, the hospitality and travel industries are beginning to soften -- and in some instances abandon -- their traditional opposition to smoking restrictions. Many hospitality firms are being encouraged to restrict smoking purportedly to protect public health, and to reduce overhead expenses and thereby increase profits.

o Most service industries would prefer to develop their own responses to the issue rather than respond to specific legislation or to anti-smoker demands; however, there appears to be a growing trend toward support of legislation or total bans as simple ways to handle a potentially difficult issue.

o The hospitality and travel industries are highly competitive. When individual companies have discriminated against smokers (through nonsmoker discounts, "nonsmoker only" cars and rooms, etc.), it has been for marketing and promotional purposes. Although some of these gimmicks have been withdrawn (presumably because of poor sales performance), many continue to spread, particularly within the hotel/motel industry.

o Past research has found some support for the notion that smokers drink more expensive beverages than nonsmokers, although the differences are not great. (About 30 percent of smokers say they drink beer regularly versus 18 percent of nonsmokers; 23 percent of smokers drink liquor regularly versus 14 percent of nonsmokers.)

o The hospitality industries appear to be sensitive to customers' views on controversial subjects, such as smoking restrictions.

**II. Strategies, Goals and Tactics**

**Strategy I:** Increase the hospitality and travel industry's understanding that smokers choose services that are gracious to all customers; and that smokers comprise a significant segment of their markets. Increase smoker awareness of hotels, rental car companies and restaurants that treat smokers graciously.

**Goals and Tactics:**

1. Develop and maintain a list of key individuals responsible for developing and implementing smoking policies within major hospitality and travel companies.

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2. Survey major hospitality and travel companies to determine current policies and marketing programs related to smokers. Promote results as appropriate.
3. Produce a brochure based on the survey of hospitality companies. Distribute to individuals on key contact list and promote to smokers and the general public through targeted media mailings, op-eds and member-company constituent mailings.
- ④ 4. Brief officials of hospitality and travel trade associations on research findings and The Institute's plans to encourage smoker insistence on fair treatment.
- ⑤ 5. Produce a package of background information for use by member companies' smoker communications programs.
6. Promote improved indoor air quality as an alternative to smoking restrictions. Promote indoor air quality consultant speakers at national, state and local hospitality association meetings. Prepare and promote articles for hospitality trade press.
7. Encourage state and local hospitality associations to produce guides on smoking restriction laws to assure reasonable interpretation and protection of smokers' rights. Also encourage preparation of materials and trade press articles on how to accommodate smokers and nonsmokers without imposing unreasonable restrictions.
8. Promote the Institute's hospitality program at national, state and local hospitality association meetings. Continue to exhibit materials through the hospitality booth.

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  - 1. **Public Affairs: Lyons, Ransome, Thomas, other issues staff, Media Relations, Information Center and Production Services staff.**
  - 2. **State Activities: Woodson, Avedon.**
  - 3. **Federal Relations: Lewis, White, Vinovich.**
  
- B. **Consultants**
  - 1. **Scientific and technical experts.**
  - 2. **Labor experts.**
  - 3. **Public relations counsel.**
  
- C. **Coalition Groups**
  - 1. **Tobacco Industry Labor Management Committee.**
  - 2. **Trade and other business organizations.**
  - 3. **Hispanic and other minority groups.**
  
- D. **Materials**
  - 1. **Workplace smoking kit, including summary brochure, legal briefs, indoor air pollution brochures, absenteeism article, productivity article.**
  - 2. **Labor kit and video.**
  - 3. **"Smokers' Rights in the Workplace: An Employee Guide" brochure.**
  - 4. **Workplace smoking resource guides and employers' guides.**
  - 5. **ETS science publications.**
  - 6. **ASHRAE standards publication.**
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**SOCIAL COSTS**

**I. Background and Assumptions**

The "social cost" issue impacts all of our issues and is being used increasingly and with greater intensity by anti-smoking groups. Last year was the second in which the Public Affairs Division implemented the Institute's comprehensive plan to manage the "social cost" issue.

The 1989 plan included social cost economic consultants, initiated media tours, commissioned and promoted "social cost" research and commissioned a book on "user fees." It also established a social cost coalition with other industries concerned about excessive government regulation and the misuse of economic principles.

o Anti-smoking activists increasingly argue that the smokers' alleged cost to society, i.e., increased job absences, higher public medical expenses, accidental fires, etc., justify increasing cigarette excise taxes, bans on cigarette advertising, public smoking restrictions, and elimination of the tobacco farm program. "Social cost" arguments promoted by anti-smoking groups add to the perception that tobacco use is socially unacceptable.

o "Social cost" arguments are utilized by anti-smoking groups to counter any effort by the tobacco industry to demonstrate the positive economic impact of tobacco on the nation's economy, i.e., the Wharton, Chase and Price Waterhouse studies. Such groups assert that economic impact studies do not deal with "social cost" arguments.

o Independent economists state that "social cost" concepts and computations used by anti-smokers do not withstand credible economic scrutiny. Anti-smokers' research presumes that most costs they perceive to be associated with smoking represent a financial burden on society as a whole.

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Note: Items footnoted with a "1" indicate items that have been added since last year's plan; items footnoted with a "2" indicate items that have been significantly expanded from last year's plan.

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o The Surgeon General's assertions that environmental tobacco smoke is a demonstrated health hazard to the nonsmoker, and that smoking is an addiction, will most likely escalate future "social cost" estimates.

o The "social cost" debate thus far has been largely between the anti-smoking lobby, including some members of Congress, and the tobacco industry, with public policy makers as the primary audience. Some actuarial and health care economic discussions which do not support anti-smoker research have not been widely distributed or promoted. The general public is not familiar with all aspects of the issue and, if they were, would likely be unsympathetic to "social cost" economics as a justification for restricting lifestyle choices.

o There is a growing trend at the state level to produce "social cost" studies in an effort to justify anti-tobacco legislation and fuel public misconceptions about smoking.

o Other industries, i.e., dairy, meat, alcohol, chemical producers, nuclear power, hazardous wastes management, and small aircraft are also vulnerable to similar "social cost" attacks.

**II. Objective**

To refute anti-smokers' "social cost" arguments.

**III. Strategies, Goals and Tactics**

Strategy I: Aggressively counter "social cost" research with credible, independent economic studies.

**Goals and Tactics:**

1. Develop a pro-active plan, complete with well-defined media strategy, to counter release of state-specific social cost reports.
2. Support economic consultants familiar with the "social cost" issue to review and maintain literature, to conduct research, to prepare articles, legislative testimony, letters to editors and op-ed pieces. When possible, utilize existing tax issue economists' network. Conduct periodic meetings in central location.
3. Publicize economic reviews of "social cost" arguments and encourage publication in newspapers, economic journals and economic conference proceedings.

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May 22, 1990

Martin Gleason

Comm Comm Presentation--May 23, 1990

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VI. Support to Federal Relations

2 MONTHS SINCE LAST MEET

1. Hearings

- Witness Development--Allies and TI--eg. Tollison, Tino Duran, Fire services orgs. (NVFC, AFDNY)
- Testimony.
- Opening statements for friendly members.
- Questions for friendlys and hostiles.
- Testimony for Members of Congress
- Assistance in briefing Hill staff.
- Briefing books for use by industry and friends on the Hill.
- Media rel. support for TI witnesses.
- Agency support for allied witnesses.

Examples

- Luken Hearings on Advertising Issues
- Kennedy Hearings on S. 1883-(2)
- Walgren Hearing on fire safe cigarette--  
May 16
- Finance Hearing--Smoking and Social Costs  
(tomorrow)

In addition, we monitor and report on hearings where TI is not directly involved but has an interest in the matter being considered. eg. Kennedy Hearing on GAO report and Exports, Luken on targetting, Kennedy on drug abuse, Stark Hearing on medicare costs.

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2. Outreach Through Consulting Economists and Allies/Grass-roots Efforts

Consulting economist network

Op-eds on reports that budget negotiators are considering excise tax increases (May)

Lee's social cost rebuttal in the Journal of the Medical Association of Georgia (March)

Earmarking book (ongoing) "CHANGING PREFERENCES FOR PUBLIC SERVICES: USER CHARGES AND THE FEDERAL TAXES IN PRINCIPLE AND PRACTICE"

American Agriculture Movement

Letter-writing campaign in response to reports that excise tax increases are under consideration (May)

Media Program May/June tour in Washington, D.C., focusing on deficit reduction and budget summit negotiations

Coalition on Human Needs

Congressional district committees in Texas, Illinois, Georgia, Missouri, Michigan and Ohio (ongoing)

Response to Rostenkowski deficit reduction plan (March)

Response to House and Senate budget resolutions (April)

Grassroots letter-writing campaign on budget summit and revenue options (May)

Citizens for Tax Justice

Response to Rostenkowski's deficit reduction plan (March)

New York Times op-ed in response to budget summit and reports of regressive tax options (May)

Tax equity conference (May 22--yesterday)

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Lee's social cost rebuttal in the Journal of the Medical Association of Georgia (March)

Earmarking book (ongoing) "CHANGING PREFERENCES FOR PUBLIC SERVICES: USER CHARGES AND THE FEDERAL TAXES IN PRINCIPLE AND PRACTICE"

American Agriculture Movement

Letter-writing campaign in response to reports that excise tax increases are under consideration (May)

Media Program May/June tour in Washington, D.C., focusing on deficit reduction and budget summit negotiations

Coalition on Human Needs

Congressional district committees in Texas, Illinois, Georgia, Missouri, Michigan and Ohio (ongoing)

Response to Rostenkowski deficit reduction plan (March)

Response to House and Senate budget resolutions (April)

Grassroots letter-writing campaign on budget summit and revenue options (May)

Citizens for Tax Justice

Response to Rostenkowski's deficit reduction plan (March)

New York Times op-ed in response to budget summit and reports of regressive tax options (May)

Tax equity conference (May 22--yesterday)

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**Economic Policy Institute**

Financial News Network story and Video News Release based on update of 1989 report, "A Progressive Answer to the Federal Deficit" (March)

Release of study, "Are Americans on a Consumption Binge?" (April)

Release and promotion of study on Peace Dividend (May 22)

**Hispanic Organizations**

Letter-writing campaign, targeting Members of Congress, on reports that excise tax increases are under consideration (May)

**League of Rural Voters**

Endorsement of AAM tax study; press release and op-ed distributed to LRV press network (April)

**Labor -- Coalition of Labor Union Women**

Release of study, "Women and Children First: An Analysis of Trends in Federal Tax Policy" (May 23--today)

**Labor support groups: LCLAA; APRI**

Leadership letters to summit negotiators plus finance and tax committee members in response to reports of possible excise tax increases (May)

**Veterans Organizations**

Letter-writing campaign, targeting Members of Congress, on reports that excise tax increases are under consideration [United Veterans Association, Brotherhood of Vietnam Veterans] (May)

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Coalition Against Regressive Taxation 1990 study (April)  
(EITC)

National Chamber Foundation Journal of Regulation and Social Cost (due May-June)

Price Waterhouse Economic Impact Study and Executive Summary (1990; distribution to be determined)

3. Other

Worked on Prendergast paper; "Smoking, Social Costs and Common Sense" (January-April)

Developed Earned Income Tax Credit one page background document in response to Rostenkowski (March)

Drafted a critique of the DoT's cabin air quality study for possible insertion into the Congressional Record.

Prepared and filed comments for:

- FAA's Civil Penalty Rulemaking Action
- DoT's Interim Final Rule on current smoking regulations
- FAA's Final Rule on Aircraft Smoking.

Prepared extensive backgrounder for use with Congress on industry policy regarding sales to young people.

Produced a white paper, entitled "The Case Against S. 1883," to be used by federal relations staff and lobbyists to develop opposition to Kennedy bill.

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Maintained institute liaison with Freedom to  
Advertise Coalition and its six constituent members,  
Washington Legal Foundation and the American Civil  
Liberties Union.

Assisted in behind-the-scenes promotion of Oregon  
State Fire Marshal Olin Greene, which culminated in  
his nomination as the next U.S. Fire Administrator.  
The Fire Administrator could play a significant role  
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**VII. Support to State Activities**

**1. Tax Issue and "Social Costs"**

**American Agriculture Movement**

Worked with AAM leadership to identify moderate farm groups to carry AAM study findings to policy makers and the public in Montana

Mailed tax study executive summary and brochure to rural legislators in New York and Florida (April)

Supported AAM media/dinner program including AAM role at Farm Aid IV concert; plan Louisiana events (early June)

**California Congress of Seniors**

Supported annual conference with tax policy seminars and "Tax Justice" award (March)

**Florida Council of Senior Citizens**

Encouraged passage of progressive health-care financing resolutions at annual convention (March)

**Texas Alliance for Human Needs**

Supported statewide campaign focusing on special legislative sessions and revenue considerations (ongoing)

**National Vietnam Veterans Coalition**

Activated coalition members in Florida in response to state excise tax increase proposals (May)

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**Texas economic program**

Developed regressivity and bootlegging studies (PW)

Economist (Mike Davis) editorial board briefings

**Economic witnesses**

Dwight Lee provided for Wilmington, N.C.-- city council session on economic consequences of excise tax increase

Morris Coates--testified in Baton Rouge on proposed LA excise tax increase

**State data card revisions**

Updating Kentucky, Tennessee, Florida, Illinois, and Pennsylvania

**Tax fairness programs in the States**

Wisconsin---?

New Jersey; NJ Citizens Action tax plan release, editorial boards and grass roots campaign underway

Florida--Anti-tax advertising campaign launched (?)

New York (?)

Iowa(?)

**2. Fire Safe Cigarette Issue**

Worked with fire service officials in potential problem states; New York, Minnesota, Wisconsin and California -- to monitor their activity and to keep them focused on "fire-safe" cigarette legislation at the federal level.

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Enlisted the assistance of the New York State Association of Fire Chiefs Legislative Committee chairman to keep New York's "fire-safe" cigarette bill from being reported out of the Assembly Codes Committee in April.

3. Public Smoking

NEMI reps and other labor contacts contacted Montgomery County officials in opposition to the county's proposed smoking ban.

Preparing employer's guides for both New Hampshire and Rhode Island at the request of Region I regional director.

In New Hampshire, NEMI representatives filed written testimony and conducted one-on-one briefings with key legislators regarding proposed workplace smoking restriction legislation.

At the request of Region I staff, both John Fox and Gray Robertson gave presentations at the U.S. Chamber of Commerce Summit meeting in April.

Attorney John Fox conducted an employment issues seminar in Portland, Oregon.

Conclusion

The foregoing is not an exhaustive list of our activities since our last meeting but hopefully it is illustrative of what we in Public Affairs have been doing in support of FRD and SAD.

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4. Continue to aggressively promote the results of "social cost" research conducted and completed in 1988 and 1989.
5. Continue to conduct "social cost" media tours focusing on a theme of excessive government regulation and the potential for Americans to form a "get off my back" movement.
6. Promote Prendergast monograph, executive summary and briefing paper on "social costs" via the communications resources available to the U.S. Chamber's Social Costs Council.
7. Support and aggressively promote at least one symposium on the "social cost" issue. Third party sponsor would commission papers on precise topics and publish and promote the proceedings.
8. Direct "social cost" economists to submit abstracts of studies and coordinate seminar opportunities at prestigious economic conferences, i.e., American Economic Association, Southern Economic Association, Western Economic Association, Atlantic Economic Association, etc.
9. Seek opportunities for "social cost" economic consultants to submit testimony, and to include research/articles in the legislative record when anti-tobacco legislation is under consideration and "social cost" arguments are utilized.
10. Make economic consultants available to State Activities Division for "social cost" briefings of economic and policy staffs of organizations, such as American Legislative Exchange Council, National Conference of State Legislators, Council of State Governments and National Governors Association; encourage these groups to address the issue as a serious public policy concern. Seek publication and speaking/seminar opportunities.

**Strategy II:** Demonstrate that "social cost" arguments can be applied to other industries and generate support from those industries in challenging these arguments.

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**Goals and Tactics:**

1. Extend "social cost" research as applied to smokers to other industries by obtaining estimates from "social cost" economists of potential "costs" targeted commodities impose upon society, i.e., beef, alcohol, sugar, coffee, salt, etc.
2. Brief target industry association executives on repercussions of potential social cost allegations utilizing "social cost" economic consultants and/or Social Cost Council. If possible, have economists brief peer economists of targeted industries or utilize third party groups, i.e., tobacco grower representatives for briefing with cattlemen's association.
3. Strengthen a coalition of businesses to counter "social cost" claims. Encourage the coalition to commission economic research. Support as appropriate.

**IV. Resources**

**A. Staff**

1. Management:  
Schoonmaker, Hrycaj
2. Division staff:  
Issues staff, Media Relations, Production Services, Information Center
3. Other staff:  
Federal Relations and State Activities headquarters divisions, their staffs and legislative counsel

**B. Consultants**

1. Economists
2. Public relations counsel
3. Private research firms
4. Legislative counsel
5. Tobacco family allies and counsel

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**C. Materials**

1. Tollison/Wagner book
2. Earmarking/"user fee" book
3. Prendergast monograph
4. Economists' research (eight papers)
5. Brochures, reprints, seminar proceedings and other printed materials

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**PRODUCTION SERVICES**

**I. Background and Assumptions**

In 1989, restructuring and reorientation of resources made the department more efficient and versatile as a service to The Institute and the industry.

Production Services is not a separate budgeted cost center; its primary responsibility is to service all Institute divisions. It is also responsible for fulfilling the needs of the member companies and our expert consultants. These services are then charged to the cost center initiating the project.

o New York, Chicago, Los Angeles and Dallas are centers of graphic design. By comparison, Washington, D.C., has relatively few art studios and printing companies. The responsibility of Production Services is to find and utilize the highest quality and most economical services for The Institute's needs within this geographic area. These needs generally consist of publication design, slide presentations, photography, printing and mailing services. Special projects are addressed as they are assigned.

o Communication with Institute staff on projects is an important area. Projects, regardless of complexity, require as much initial input as they do follow through.

o Deadlines need to be agreed upon and adhered to. Each stage of the production process involves careful planning and managing in terms of time and budget. We constantly seek opportunities to streamline all phases.

o Production of printed materials for allied organizations - as part of the coalition process - increased by an estimated 50% through the first half of 1989. By providing project management, we are able to support these groups efforts, and to make their assistance on our issues even more effective.

o We provide printed materials for The National Tobacco Council for use in the tobacco states.

o A total of \$202,500 was spent on the production of graphics in the first five months of 1989. Most of these monies supported major projects such as:

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- 1) The Great American Welcome
- 2) Safe Passage kits as part of a fire grant to the National Volunteer Fire Council
- 3) Airline mobilizations to our Tobacco Action Network
- 4) The Labor Guide to Collective Bargaining on Indoor Air Quality Issues
- 5) General issue topic brochures

o Large contracts with vendors are based on competitive bidding proposals.

o The graphic arts industry is constantly growing in the areas of computer graphics and new product developments. Production Services keeps in touch with these advancements by regularly reviewing vendors and their specialty services. We are exploring new software packages that will enable us to produce more advanced graphic slide presentations on our in-house system. In addition, we are looking at updating our audio-visual equipment.

## II. Objective

To produce high quality, graphic materials in a timely and economic manner.

## III. Strategies, Goals and Tactics

**Strategy I:** Increase TI staff knowledge of Production Services capabilities and guidelines related to the production of graphics and publications, as a means of gaining staff help in containing costs and ensuring quality.

### **Goals and Tactics:**

1. Emphasize to staff the importance of Production Services' involvement in each stage of the production process for materials produced by outside consultants. Extend creative advice from inception to completion on all projects.
2. Stress to staff that Production Services must be informed, well in advance, of upcoming conferences, projects, etc., that require visual support. Require written directions and time table on all assignments, time permitting. Negotiate reasonable deadlines and plan to meet 100% of them.

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3. Involve and apprise clients at every stage of each project. All stages will require signature and date of responsible staff before proceeding to next step.
4. All completed projects will be reviewed by Production Services and clients to determine that project needs were satisfied. A record of the meeting will be filed in the job jacket.
5. Continue publication cost/quality recaps and distribute to clients on a timely basis.
6. Distribute to all staff information on any new capabilities that Production Services has acquired either in house or through outside resources, within two weeks of acquisition.
7. Four times a year, issue a publication inventory for all cost centers. Distribute to appropriate personnel. Work with staff in Administration to computerize the system by October 1989.
8. Update and issue a publication list bi-monthly to maintain maximum use of publications by member companies and the general public.
9. Coordinate new publication release mailings with appropriate support staff for distribution. Update the distribution mailing lists.
10. Support TI staff on audio-visual aids. Update and maintain equipment as necessary.
11. Train at least one support staff member from each division on VIDEO-SHOW, the in-house slide producing equipment. Work with Data Processing for recommendations on upgrading the system.
12. As a means of measuring quality, enter selected T.I. publications in awards competitions.

**Strategy II:** Require vendors to ensure high quality output on a timely basis with minimal costs.

**Goals and Tactics:**

1. Conduct bi-annual review of vendors in: typography, design, photography, printing and mailing. Maintain profiles of each company in Production Services files.
2. Produce written estimates for staff on any project involving design, printing and mailing.

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3. Have comprehensives accompany bids on projects that will exceed \$10,000. Budget or time constraints must be discussed and approved by initiating client, in advance, to exempt a project from bidding.
4. Where appropriate, initiate contract agreements with vendors pertaining to the production of specific publications. Several publication series are already under contract: state data cards, heritage series, issue topic brochures, and workplace brochures for targeted states.
5. Produce and maintain production schedules on all projects. Coordinate projects with designers, printers and TI clients.
6. Devise and maintain a written evaluation form for each project. After completion of a project, review with client design and printing quality and procedures. File and feed back all problems, recommended changes, criticisms or praises to appropriate vendor.

**V. Resources**

**A. Staff**

- 1) Production Services: Cannell, Collins
- 2) Public Affairs: All professional and support staff
- 3) Administration: Data Processing, Accounting and Workroom staff
- 4) Vendors: Typographers, Design Studios, Freelancers, Photographers, Printers, Mailers and specialists.
- 5) Clients: TI staff, member companies and other allied organizations

**B. Materials**

- 1) Supplies for in-house equipment: wax, paper, film and ink for Video-Show, miscellaneous drawing supplies and tools.
- 2) Files: Photo, Slide, Art, Publication and Software.

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4. Where appropriate, initiate contract agreements with vendors pertaining to the production of specific publications. Several publication series are already under contract: state data cards, heritage series, issue topic brochures, and workplace brochures for targeted states.
5. Produce and maintain production schedules on all projects. Coordinate projects with designers, printers and TI clients.
6. Devise and maintain a written evaluation form for each project. After completion of a project, review with client design and printing quality and procedures. File and feed back all problems, recommended changes, criticisms or praises to appropriate vendor.

**V. Resources**

**A. Staff**

- 1) Production Services: Cannell, Collins
- 2) Public Affairs: All professional and support staff
- 3) Administration: Data Processing, Accounting and Workroom staff
- 4) Vendors: Typographers, Design Studios, Freelancers, Photographers, Printers, Mailers and specialists.
- 5) Clients: TI staff, member companies and other allied organizations

**B. Materials**

- 1) Supplies for in-house equipment: wax, paper, film and ink for Video-Show, miscellaneous drawing supplies and tools.
- 2) Files: Photo, Slide, Art, Publication and Software.