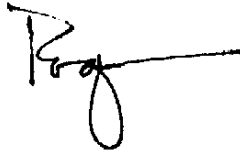


January 21, 1994

TO: B Oglesby
Tom Griscom

FROM: Roger Mozingo

RE: Michigan



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After numerous discussions today among ourselves and with TI, we have concluded that it is probably best that the Management Committee meet on Monday via phone and make a decision about industry participation in the Michigan effort. Here's where we think we are and why we make this recommendation:

- * Industry representatives have met with organized labor and the Michigan Education Association. Both groups are ready and willing to work with tobacco through some joint effort.
- * Other than a few anti-tax groups, there will be no other organized opposition to the proposal. The Democratic Party will oppose, but they are basically an arm of labor.
- * The Democratic Co-Speaker has called a meeting for Wednesday with Labor, MEA, and us to decide how to go forward.
- * If we are not prepared to make some commitment at that time, no real decision will be made. Nothing is going to happen until such a commitment is made.
- * If we do not come forward with a substantial commitment, Labor and the MEA will not form a committee but will oppose the proposal through their own established channels--i.e., communicate with their members which does not require filing a committee.
- * If a committee is formed with these groups, we can expect no more than a couple hundred thousand dollars from non-tobacco sources.
- * TI has prepared a draft plan and budget (attached) for us to present to the Management Committee. Bottom line: \$3.6m. budget needs some additional work and could clearly be trimmed.
- * Kurt says that Ellen Merlo has seen this plan and is ready to go forward (though she may have some questions about individual items).

cc: Tim Hyde
Hurst Marshall

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