

MARKETING RESOURCE GROUP, INC.

COMMUNICATIONS ♦ PUBLIC RELATIONS
PUBLIC AFFAIRS ♦ SURVEY RESEARCH

To: M. Carnovale
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From: Deborah Wudyka

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Subj: Michigan Communications Plan — Federal Medicare Litigation & FET

Overview

President Clinton has proposed the Justice Department launch a lawsuit against the tobacco industry to attempt recovery of federal Medicare costs associated with smoking-related health problems. Additionally, Clinton's proposed federal excise tax increase still looms.

Clinton has brought to his side of the equation the trial lawyers and a number of industry critics. In fact, it appears that even some in the Justice Department have shifted from their early position that the federal government has no standing in such a lawsuit.

Campaign Goal & Objectives

Philip Morris USA opposes both proposals and has asked its communications team to prepare a communications and outreach strategy for helping to defeat Clinton's plan.

Objectives as stated by PM USA Media Affairs Mobilization Plan include:

- Reaching out to key allies to educate and engage them in the effort.
- Reaching out to key media to educate and engage them in the debate.
- Reaching out to state legislators to educate and engage them in the issue as an effective means of reaching congressional delegation and media.
- Bring state-side political pressure to bear on Clinton administration to reinforce message that the federal suit would be a political liability.
- Raise issue of 'taxation through litigation' among consumers.
- Work with PM USA Field Action Team member to coordinate communications to targeted congressional members (sub-objective).

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Ally Outreach & Spokespersons

Traditional. As in the 'McCain' battle of last summer, PM's traditional ally corps will need to be engaged, as it is the group most closely affiliated with us and since we already have a communication pipeline to the leaderships and memberships. These allies have supported numerous PM agendas over the years because for many of them, where PM goes, so do they.

Our traditional allies are also useful in this effort in that they have communications vehicles with their memberships, legislative contacts and relationships with media.

MRG already maintains ongoing communications with these organizations and several reporters on important tobacco related issues. We would recommend creating a one-page news update specifically about the federal suit and FET that would be faxed or emailed to ally organizations—both traditional and others as may be engaged. We also would consider expanding the distribution of the newsfax.

MRG would coordinate with allies traditional media approaches, including:

- LTEs
- Op-ed placements
- Spokespersons for inclusion at editorial board visits or as resources for reporters
- Letters to congressional targets
- Letters to other targeted organizations
- Newsletter articles
- Business and trade association publications
- One-on-one meetings
- Issue briefings
- Radio and television talk show interviews

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MRG recommends engaging the following traditional ally organizations:

Michigan Manufacturers Association

Michigan Retailers Association

Michigan Restaurant Association

Michigan Hotel, Motel & Resort Association

Michigan Licensed Beverage Association

Michigan Vendors & Distributors Association

Michigan Chamber of Commerce

Michigan Association of Convenience Stores

Michigan Truck Stop Operators

Association Food Dealers of Michigan

Association Petroleum Industries of Michigan

National Federation of Independent Business of Michigan (MRG and F.A.T. member already have contacted NFIB's executive director to request letter be sent to the NFIB's Washington D.C. office)

Non-Traditional Allies. The issue presents a potential opportunity to engage several interests that may want to protect Michigan's share of the MSA money from the federal government. Other groups may be motivated by the slippery slope prospect of the federal government punishing industries that become disfavored politically, or those that traditionally battle the trial lawyers.

Among the potential targets:

Weiner Associates (public health advocates)

Lutheran Family Services (MRG has made an initial inquiry to determine interest; feedback is favorable)

Michigan Children's Ombudsman

Michigan Dept. of Community Health

Michigan Attorney General

Automakers

Life Insurance Association of Michigan

Michigan Insurance Federation

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MRG would continue to monitor the debate over potential beneficiaries of the MSA money, currently well-under way. Gov. Engler has proposed to use all the funds to back his Michigan Merit Scholarship Awards program; Democrats have proposed a three-tiered plan including an allocation to smoking prevention programs, and the anti-smoking groups; hospitals and others are presenting yet other possible uses. As the issue heats up, we may find some unusual opponents to the federal plan. While we may not be able to call them 'allies', their opposition could be just as effective.

Legal Scholars

Yale Komisar, noted constitutional expert at University of Michigan.

Jay Rosen, an attorney known for his expertise on legal and health care issues.

Public Policy Organizations

MRG has relationships with a number of public policy organizations in the state and is positioned to approach them to gauge their interest in this issue. Among those we would suggest as appropriate to this effort:

Michigan Lawsuit Abuse Watch (MLAW) — a watch-dog organization and policy group that keeps its eye on the trial lawyers. MRG already has contacted MLAW executives about this issue and has found them to be interested in participating. We envision an op-ed and spokesperson availability for reporters.

Mackinac Center for Public Policy — a conservative think tank that has voiced its perspective on tobacco-related issues for many years and whose position has been in sync with the tobacco industry from business and economic perspectives. The center regularly provides op-eds to Michigan newspapers and has a network of radio stations that carry its broadcast-ready op-eds.

Hillsdale Policy Group — a conservative think tank based at Hillsdale College, its research and findings are often sought by the Legislature and media on economic issues.

Citizens Research Council — a non-profit research entity financed by top Michigan corporate leadership to examine important public policy issues affecting Michigan and metro Detroit.

Anderson Economic Group — a conservative economic research and economic consultant.

Michigan Consultants — a public policy consulting firm with experience in economic development, state grant applications and public policy research and development.

Chambers of Commerce

As in most efforts that seek to protect the interests of the Michigan business community, the Michigan Chamber of Commerce can be expected to step to the plate here. Already, MRG and PM's Field Action Team member have approached the state chamber to request a letter be sent to the U.S. Chamber of Commerce.

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Along with the Michigan Chamber, MRG would seek to enlist the support of two additional powerful chambers of commerce:

Detroit Regional Chamber of Commerce (Richard Blouse, President)

Grand Rapids Chamber of Commerce (John Brown, President and formerly an executive with the Amway Company)

State Lawmakers

MRG would envision pursuing the support of both Michigan Democrats and Republicans to this effort by employing slightly different messages.

State Democratic legislative leadership may respond best to two messages: 1) an increase in the FET means less money for Michigan, hence less money for anti-smoking programs; 2) the regressive nature of the increase in the FET. Generally, Michigan Democratic leadership hails from urban areas where these messages would resonate.

State Republican legislative leadership may respond best to messages focused on fighting increased federal government intrusion and attempting to capture some of the MSA moneys.

Among Michigan lawmakers whom we would seek to enlist:

Democratic Leadership

Rep. Bob Emerson
Rep. Mike Hanley (Minority Leader)
Rep. Kwame Kilpatrick (Minority Floor Leader)
Rep. Mark Schauer (Asst. Minority Leader)
Sen. John Cherry (Minority Leader)
Attorney General Jennifer Granholm

Republican Leadership

Rep. Chuck Perricone (Speaker)
Sen. Dan DeGrow (Majority Leader)
Sen. Joe Schwarz
Rep. Andy Raczkowski (Majority Floor Leader)
Gov. John Engler
Lt. Gov. Dick Posthumus
Dept. of Community Health Director Jim Haveman

Media Outreach

Utilizing media materials provided by PM U.S.A., and tailoring some to localize the messages to Michigan, MRG would seek to educate and engage reporters and editors primarily in the Detroit media market since it is the largest media market in the state and the Detroit Free Press and Detroit News are widely read across the state. Other newspapers in metropolitan Detroit—including the Oakland Press, Macomb Daily and several others—effectively reach the majority of the southeastern Michigan population. Crain's Detroit Business is a key publication for reaching the business and political communities in the region and elsewhere.

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Macomb Daily — recommend one-on-one with editorial page editor and political writer and op-ed.

Mitch Kehetian — editorial page editor

Chad Sewleski — political writer, columnist

Royal Oak Daily Tribune — recommend one-on-ones, op-ed and specific pitches.

Mike Beeson — editorial page editor

Kurt Jordet — business, legal and political writer

Port Huron Times-Herald — recommend one-on-ones, op-ed and specific pitches.

Tom Walker — editorial page editor

Jan Mitchell — business writer

Christine Paik — political writer

Monroe Evening News — recommend one-on-one.

Dave Chulski — editorial page editor

Heritage Newspapers — recommend one-on-ones and op-ed.

Karl Ziomek — editorial page editor, political writer

Gay Gosselin — business writer

Observer & Eccentric Newspapers — recommend one-on-ones and op-ed.

Michigan Chronicle — recommend one-on-ones, op-ed and specific pitch.

Michael Goodin, editor

Crain's Detroit Business — recommend one-on-ones and op-ed.

Amy Lane — political writer

Bob Sherifkin — legal writer

Mary Kramer — editorial page editor

WWJ-AM, Detroit — Tim Skubik, political reporter

WJR-AM, Detroit — Paul W. Smith Morning Show (Jim Moskus, producer);

David Newman Show (Kevin Collard, producer)

WXYZ-TV, Detroit — Chuck Stokes, Detroit In Depth

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Additionally, we recommend trying to engage key reporters and editorial staff in Lansing (state capitol) and in several outstate markets. LTEs, op-eds, one-on-ones and editorial board visits would be useful in reaching the constituencies of targeted congressional members. Additionally, we would include targeted reporters in the distribution of newsfax and other materials as received or developed.

The following list of writers, editorial staffs and radio and TV talk show producers and tactics is offered as a guideline and is organized geographically.

Metropolitan Detroit

Detroit Free Press — recommend editorial board meeting, op-ed and one-on-one briefings and continued education with select reporters.

Chris Christoff — Lansing bureau chief, political writer

Hugh McDiarmid — political columnist

Dawson Bell — capitol reporter

Janet Fix — Washington bureau

Ron Dzwonkowski — editorial page editor

Wendy Wendland — tobacco, health

Detroit News — recommend editorial board meetings, op-ed and one-on-one briefings and continued education with select reporters.

Charlie Cain — Lansing bureau chief

Pete Waldmeir — business, political columnist

Mark Hornbeck — senior reporter, politics, business, health

Diane Katz — editorial page editor

Tom Bray — editorial page editor

George Weeks — columnist

Ken Cole — Washington bureau

Jim Higgins — business editor

Oakland Press — recommend editorial board meeting, op-ed and one-on-one with editorial page editor and one-on-ones with writers.

Neil Munro — editorial page editor

Kathy Gray — political writer

Steve Spaulding — business editor

Doug Henze — political, business writer

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Lansing

Lansing State Journal — recommend on-on-ones, editorial board meeting and op-ed.

Mark Nixon — editorial page editor

Steve Harmon — political writer

Jim McMillen — business writer

Michigan Information Research Service — recommend one-on-one.

John Reurink, editor

Gongwer — recommend one-on-one.

Larry Lee, editor

AP — recommend one-on-ones.

Kathy Barks-Hoffman — Lansing bureau chief

Greta Guest

Randi Goldberg — Detroit bureau chief

Michigan Radio Network — Rick Pluta, political

Public Radio — Bill Ballenger, political commentator

WJIM-AM, Lansing — Sen. Phil Arthurholtz show

WJIM-AM, Lansing — Chris Holman, morning news/talk

Outstate

Booth Newspapers (Ann Arbor News, Battle Creek Inquirer, Kalamazoo Gazette, Grand Rapids Press, Flint Journal, Saginaw Evening News, Bay City Times, Jackson Citizen-Patriot)
— Recommend one-on-ones with bureau writers, editorial board meetings with targeted newspapers and op-ed.

Judy Putnam — health writer

Meegan Holland — bureau chief

Peter Luke — political writer, columnist

Sarah Kellog — Washington bureau

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Flint Journal — recommend editorial board meeting.
Andy Heller — business/political columnist
Carleton Winfrey — editorial page editor

Grand Rapids Press — recommend one-on-ones, editorial board meeting and op-ed.
Joe Crawford — editorial page editor
Jim Weicker — business editor
Mary Radigan — business columnist

WOOD-AM, Grand Rapids—Mark Fancett, producer

Mt. Pleasant Evening Sun — recommend op-ed, continued education.
Rich Mills — editorial page editor, legal and political writer
Mindy Norton — business writer

Midland Daily News—recommend op-ed, continued education.

Saginaw Evening News — recommend editorial board meeting, op-ed and continued education.
John Puravs — editorial page editor
Mike Beyer — business writer
Rick Hayman — political writer
Daryl Tucker — legal writer

Summary

Key to the results of this campaign will be the overall strategy and message points used to reach the objectives. It is critical that our traditional allies continue to feel comfortable travelling in league with PM, and that we have a credible message to deliver to the news media.

The news media tends to view this issue largely as a national battle, with few local angles. We will continue to press forward with those angles when possible, but may need to do more direct placement of op-ed pieces — perhaps even purchase space for those pieces, along the lines of the longstanding Mobile Oil or American Federation of Teacher paid editorial campaigns — and long-form radio talk shows to get our messages into the local dialogue.

MRG is prepared to begin moving ahead with this plan as soon as it is approved. Please feel free to call with any questions or additional suggestions.

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