

MEMORANDUM

July 15, 1993

TO: James R. Cherry, Esquire
FROM: Ronald C. Morris *RCM*
RE: California Smoking Legislation: AB13 and AB996

Thank you for agreeing to inform the Loew's hotel properties in the state of California of these important measures pending before the state legislature. Following is the information you requested.

Summary of the Legislation

California Assembly Bill 13 (AB13) is pending in the Senate Judiciary Committee. AB13 would require employers to ban smoking in enclosed places of employment. As amended, local governments would still have the right to pass more restrictive workplace laws.

Although AB13 has been amended to exclude sleeping rooms in hotels, and to make some concessions for smoking areas in hotel lobbies and "free-standing" bars, the Loew's properties would be required to ban smoking in their restaurants and in banquet facilities, meeting rooms and other spaces.

A second bill provides accommodation for smokers in restaurants, hotels, and other public places. Assembly Bill 996 (AB996) would allow hotel managers to serve the needs and preferences of a wide range of patrons. AB996 is in Senate Health Committee.

Action Needed

Loew's property managers should contact Bob Pruett, TI Regional Vice President, to coordinate their efforts to oppose AB13 and to support AB996. Bob is located in Sacramento; his phone number is 916-987-9255 or 1-800-783-3543.

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It is likely that Bob will ask them to do three things:

1. Call the California Hotel & Motel Association and the California Restaurant Association and ensure that the associations voice their opposition to the smoking bans in AB13 and support for accommodation in AB996. The associations should be firm that smokers must be accommodated in hotel restaurants in order to preserve tourism.
2. Contact members of the Senate Judiciary Committee in opposition to AB13.
3. Contact members of the Senate Health Committee in support of AB996.

If either AB13 or AB996 is reported to the Senate floor, Bob may ask that contacts be made to other members of the California Senate.

Where contacts are requested, Bob Pruett will provide further information, such as names, addresses and phone numbers.

Arguments Against AB13

These concerns should be communicated in opposition to AB13:

- . AB13 is both intrusive and unnecessary. The fact is that most California hotels have already taken steps to regulate smoking and those efforts have been successful and reasonable.
- . AB13 will negatively impact the hospitality industry. California will lose tourism dollars by requiring hotels to ban smoking in their restaurants, banquet facilities, meeting rooms and other spaces. Conventions and tourism will go to more accommodating locations. Any good businessman will tell you that accommodation of ALL customers is the key to preserving good client relations.
- . Forcing hotels to ban smoking interferes with their right to conduct business. Business owners are highly aware of the need to balance the preferences of smoking and nonsmoking employees, and should be permitted to adopt a policy that suits those specific needs.
- . While approximately 25% of the American public smokes, the percentage is much greater in other countries, especially Asian countries. California tourism includes a large international contingent and a ban could cause a severe negative economic impact on the state's hospitality industry.

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- . The fact that an overwhelming majority of employers have already established workplace smoking policies indicates that workplace smoking is not really an issue in California. There is no public outcry for this legislation, except among anti-smokers who seem to have placed eliminating smoking at the top of their legislative agenda.

Arguments For AB996

These arguments should be communicated in support of AB996:

- . While AB996 is one of the toughest anti-smoking measures in the country, it does, however, preserve the right of hotel, restaurant and tavern owners to provide well-ventilated smoking sections for their customers.
- . Business owners should be allowed to tailor smoking policies to their specific needs. AB996 provides this flexibility, and allows restaurant and bar owners to designate smoking sections if their establishments meet clearly defined ventilation standards. If a business owner wants to prohibit smoking, AB996 allows them to do so.
- . Polls show that a majority of the public supports accommodating smokers and nonsmokers in public places.
- . AB996 accommodates the interests of both smokers and nonsmokers. For that reason, it is a reasonable solution to the problems that sometimes arise over the issue of smoking in public.
- . AB996 establishes uniform statewide smoking restrictions. Currently, smoking in the state of California is regulated by hundreds of local smoking ordinances. Smokers simply cannot be expected to be familiar with the ordinance of each locality they happen to visit.

Again, thank you for making this effort, Jim. I would appreciate hearing from you on the actions taken by the Loew's properties in California. If we can provide further information, please contact Kurt Malmgren or myself.

cc: Samuel D. Chilcote, Jr.
Kurt L. Malmgren
Bob G. Pruett

RCM/CJY

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