
**PUBLIC AFFAIRS
MANAGEMENT PLAN PROGRESS REPORT**

October 1989

TIFL 0536421

**CONFIDENTIAL:
MINNESOTA TOBACCO LITIGATION**

TIMN 297398

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TIMN 297399

EXCISE TAXES

Primary Responsibility: Debbie Schoonmaker
Carol Hrycaj

Overview

In October, we supported a high level of third-party activity, including two regional policy conferences involving the discussion of progressive revenue options, and the release in Washington, D.C., of two significant budget and tax policy reports.

Highlights

Early in the month, the Coalition on Human Needs (CHN) held a two-day regional activist conference in Chicago. Nearly 130 individuals attended, including attorneys, lobbyists, researchers, social workers and welfare recipients.

While the conference focused on family aid programs, it also included a discussion of budget strategies and revenue options for funding such programs. Citizens for Tax Justice (CTJ) addressed the group on fair taxation and the regressive nature of consumer excise taxes.

The Institute sponsored the Women's Campaign Research Fund's "Strategic Leadership '90" conference at Harvard University. The event drew women elected officials from around the nation. Representatives from CTJ conducted a workshop on federal budget and economic policy. The Boston Globe featured an article on the conference.

The Economic Policy Institute (EPI) released at a Washington, D.C., press breakfast its report, "A Progressive Answer to the Federal Deficit." The report identifies progressive revenue options that would raise \$65 billion in the first year of enactment. EPI stressed that excise taxes and other regressive taxes should not be increased.

We assisted EPI with the promotion of the report. Working through consultants, we drafted a media advisory and press release, and produced a VNR and a video to be aired on Financial News Network.

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CTJ released at a press conference in D.C. its fifth annual corporate taxpayers and "freeloaders" study. Sen. Bill Bradley (D-NJ) and Rep. Byron Dorgan (D-ND) participated in the press conference with Robert McIntyre, CTJ's director. Bradley endorsed the report's findings, which said that while tax reform is working, Congress should seek further base-broadening tax measures and close remaining loopholes.

The American Agriculture Movement (AAM) completed the mailing of its excise tax study to governors, agriculture commissioners and other key state policy makers. In addition, Federal Relations staff distributed the study's executive summary to members of the Georgia Farm Bureau Federation. The group is preparing to address federal tax policy at an upcoming meeting.

Approximately 5,000 copies of AAM's study have been distributed since late May. We are reprinting the document in anticipation of continued interest in the report's findings well into the next session of Congress.

We await the appearance of David Senter's op-ed on AAM's tax study in daily and weekly publications. We agreed to an additional mailing of the piece to 1,000 small rural newspapers with whom Senter communicates regularly.

In administrative matters, we completed a report on the success of the AAM 1989 summer state fair program.

We alerted State Activities to AAM's possible interest in testifying against a proposed excise tax increase in Arkansas. We are pursuing the matter with the group's leadership.

The Coalition of Labor Union Women (CLUW) submitted, and we approved, a proposal to conduct research examining the impact of excise taxes on working women. The Institute will help the group promote the study upon its completion, which is expected by year's end.

In a meeting with Federal Relations staff and member company personnel, we decided to postpone testing the tax ads until after Christmas. In the interim, we will intensify our coalition-building efforts, modify the spots and develop a tool to measure the viewing public's recall of the ads.

With regard to earmarking, consultants held preliminary meetings with the National Council of Senior Citizens on the issue of health care financing. Initial reports indicate there exists a willingness on the organization's part to work with us.

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To better understand the political climate surrounding the search for revenues to fund federal health-care programs, we began to conduct research on the U.S. Bipartisan Commission on Comprehensive Care. Rep. Edward Roybal (D-CA) recently urged the Commission to recommend raising cigarette excise taxes to fund a portion of a national health plan.

Per State Activities' request, we reviewed and commented on the first draft of a Price Waterhouse study on cross-border cigarette sales activity in Illinois. Similar studies are underway for New York and New Jersey.

For SAD's November lobbyists' meeting, we prepared a document that presents background information on the economic consultants. In addition, we provided State Activities staff with information about several Public Affairs resources.

Using the advertising book as a model, we developed a draft table of contents for a Congressional briefing book on the excise tax issue. The draft will serve as a guide for initial conversations with Federal Relations on this project.

Next Month's Goals

Continue to work with staff and consultants to launch test of ads

Cultivate relationship with NCSC and identify project(s) on which TI can help

Work with Federal Relations to develop contents of briefing book

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TIMN 297402

Public Relations Division Variance Analysis

Excise Taxes

Cost Center Name

1305

October 1989

Debbie Schoonmaker

Cost Center Number

Month

Cost Center Manager

Account#/Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1988	Explanation
5201/Repro. Print & Drftg.	\$ 101,520	\$ 108,333	(\$ 6,813)	0	Production expenses for AAM tax study brochure will appear next month.
6201/Advrt. Space & Promo.	593,153	844,200	(251,047)	260,000	Budget does not cover preliminary ad campaign research nor SAD's NY print ads. Advertising expenses will occur at year's end.
7301/Prof. Fees	446,497	487,500	(41,003)	(20,000)	CLUW research fee expected by December.
7501/Suprt. Tob. & Other Org.	370,855	715,833	(344,978)	(350,000)	Expenses for promotion of EPI study, and 1st payment on earmarking book, will appear next month.
TOTAL	\$1,512,026	\$2,155,867	(\$643,841)	(\$110,000)	

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TIMIN 297403

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PUBLIC SMOKING ISSUE

Primary Responsibility: John Lyons
Sharon Ransome
Kay Thomas

Overview

In October, we continued to make progress implementing the public smoking issue plan. We presented the 1990 plan and budget, including eight new strategies to manage the public debate on ETS, to the Communications Committee. Preparations for the McGill conference on ETS occupied substantial time resources. The House-Senate conference committee on DOT appropriations agreed to ban smoking on all U.S. flights, except those to Alaska and Hawaii lasting more than six hours.

Highlights

Indoor Air Quality

Tobacco Industry Labor Management Committee (LMC) representatives attended state AFL-CIO conventions in Massachusetts, Rhode Island and New Hampshire, all of which adopted indoor air quality resolutions. LMC representatives also attended the New York AFL-CIO annual labor recognition dinner.

LMC representatives assisted officials from Local 476 of the American Federation of Government Employees in arranging an indoor air quality investigation at the Washington, D.C. headquarters of the U.S. Department of Housing and Urban Development. HUD management has stated that it is likely to approve the investigation, which would be conducted by Healthy Buildings International (HBI).

LMC representatives met with officials from AFGE Local 1812 regarding results of the HBI indoor air quality investigation of the Cohen Building, headquarters of Voice of America. The union plans to release the results at an employee meeting November 14.

HBI and AFGE Local 1812 received approval to conduct an indoor air quality evaluation of the U.S. Information Agency headquarters in Washington, D.C. Union and management officials are meeting to work out arrangements for the study, which may be concluded before Thanksgiving.

We met with Gray Robertson to discuss HBI's expansion plans and possible Institute support of HBI regional offices. At our request, HBI will consider opening an office in New England. We will meet with Robertson in early November to discuss specific plans and Institute-related work for that office.

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TIMN 297404

Public Smoking - October Report
Page Two

The American Society of Heating, Refrigerating and Air Conditioning Engineers (ASHRAE) published its new ventilation standard, which recommends 20 cubic feet per minute of fresh air per person in office environments. We will immediately highlight ASHRAE Standard 62-1989 in our indoor air quality activities.

Legal counsel, State Activities Division headquarters and field staff and The Institute's local lobbyist for Washington, D.C. reviewed and commented on indoor air quality legislation featuring the new ASHRAE standard. An LMC consultant drafted the legislation. The revised draft will be shared with local labor leaders in early November, and organized labor is expected to take the bill to the D.C. City Council shortly thereafter.

We met twice with National Energy Management Institute (NEMI) representatives to discuss and finalize administrative, accounting and reporting procedures for the new LMC indoor air quality grant to NEMI. The procedures call for NEMI to submit a report to the LMC during the first week of each month highlighting the activities of the previous month and outlining plans and budget outlays for the current month. In late October, NEMI submitted its first report -- for September and October. The November report is expected the first full week of the month.

NEMI printed and distributed Volume II, Number 3 of NEMI News and began printing the NEMI brochure.

We began work on materials to be sponsored by the Coalition of Labor Union Women (CLUW) regarding health issues of concern to working women, including indoor air quality. An outline of the materials will be discussed with CLUW officials at a meeting in early November.

The cover article of September's Employee Health and Fitness magazine featured an interview with Gray Robertson regarding workplace air quality problems and solutions.

Letters from two Institute consultants appeared in the October issue of the American Journal of Public Health in response to studies on the alleged health risks of ETS and on the legal issues pertaining to public smoking.

At counsel's request, we produced -- virtually overnight -- a brochure for the McGill conference on ETS. We assisted counsel in the recruitment of additional conference sponsors. The academic scientists continued preparations for the conference. We began developing plans to promote the proceedings of the conference once they are published in December.

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TIMN 297405

Staff and consultants continued work on the new ETS strategies, although progress was limited by the concentration of resources and effort on the McGill conference. Staff assigned consulting scientists to prepare drafts of certain health-effects sections of the "ETS notebook." Drafts should be in by mid-November, and the notebook should be completed by Thanksgiving. Distribution of the notebook will be coordinated with promotion of the McGill proceedings. A consultant produced a draft of the "white paper" precursor to a journalism review article on the media's handling of sensational scientific news. A revised "white paper" should be completed by mid-November. With counsel's concurrence, we agreed to proceed with support of a University of Pittsburgh professor's proposal to analyze the anti-smoking movement, particularly the scientific component of it.

We met with consultants and counsel to discuss EPA's ETS risk assessment. We agreed on a strategy to mitigate the impact of the study by presenting information the industry considers important to the researcher and to key staff at EPA. Legal counsel began implementing the strategy by mid-month.

By month's end, we had completed the agenda and logistical arrangements for the Scientific Witness Team conference scheduled for November 7-8.

Consulting scientists attended five indoor air quality conferences in October, including the Society for Risk Analysis annual conference, the Air and Waste Management Association's specialty conference on managing environmental risks and the annual convention of the American Public Health Association.

The industry's ETS coordinating committee met September 15 at Covington and Burling.

Corporate/Smoker Assistance

The Institute received approximately 138 requests for workplace assistance from both employers and employees during the month of October. October requests from management more than doubled from September largely because of our Louisiana resource guide mailing. We are working with State Activities Division staff to complete mailings in 2-3 additional states by the end of the year.

We conducted a lengthy briefing for Les Zuke of Philip Morris and a Burson-Marsteller executive on TI's corporate assistance program. Philip Morris is apparently considering developing a workplace program of its own and wants to assess the effectiveness of our program.

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Public Smoking - October Report
Page Four

We completed the New York State employer's guide to workplace smoking issues. We printed 12,000 copies of the guide, and 10,000 were delivered to the sponsor, the Business Council of New York, for distribution in connection with seminars around the state.

The popularity of the employer's guides seems to be increasing steadily. The Idaho Association of Commerce and Industry has asked field staff to develop a guide for its 1,200 members. The Virginia Chamber of Commerce has also requested its own version of the guide. Both are scheduled for completion by December 1.

We continue to receive a large number of requests for information concerning smokers' rights. The majority of these requests are referrals from our member companies.

Miscellaneous

House-Senate conferees on DOT appropriations agreed to ban smoking on all flights within the continental U.S. and on flights to Alaska and Hawaii lasting less than six hours. The full House accepted the "compromise" language, and Senate action is imminent. The Smoker's Rights Alliance shut down its airport information centers. Work on the airline smoking issue has stopped, although we will seek opportunities to work with flight attendants on cabin air quality.

We helped a North Carolina Ford dealer prepare for an October 25 meeting between Ford executives and six dealers from Virginia and North Carolina on Ford's new workplace smoking policy and its potential negative impact on Ford sales in tobaccoland. The dealers admonished Ford for its thoughtless handling of the matter and for publicizing its policy. The Ford executives agreed that the policy had been poorly handled and indicated that steps are being taken to mitigate the impact of the policy on employees who smoke.

Next Month's Goals

Clarify the role of ENV Services, Inc. and our contractual relationship with the firm.

Develop a plan with State Activities Division on smoking in airport terminals.

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TIMN 297407

Public Relations Division Variance Analysis

Public Smoking

Cost Center Name

1309

October

John Lyons

Cost Center Number

Month

Cost Center Manager

Account#/Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1988	Explanation
4801/Books and Subscriptions	398	0	398	1,000	Costs for public smoking items not housed in the Information Center.
5101/Postage & Delivery	6,128	16,667	(10,538)	(8,000)	Resource guide mailings will occur in at least three more states this year.
5201/Repro., Print., & Draft.	115,561	408,333	(292,772)	(255,000)	Great American Welcome material not produced. Costs to reprint many items will be incurred in 1989.
5801/Legal Fees	134,893	83,333	51,560	25,000	Some costs assigned here properly belong in 1302 and will be recoded. Overall, more involvement by legal counsel in our activities than projected.
6201/Advertising, Space & Promotion	694,149	583,333	110,816	(6,000)	"Enough is Enough" ads allocated here. BCC ads eliminated.

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TIMN 297408

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(continued)

Public Relations Division Variance Analysis

Public Smoking (continued)

Cost Center Name

1309

October

John Lyons

Cost Center Number

Month

Cost Center Manager

Account#/Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1988	Explanation
7301/Professional Fees	2,947,448	2,795,000	152,448	100,000	ETS and IAQ scientists and activities more costly than projected.
7501/Support Tob. & Other Organizations	230,133	662,500	(432,317)	(350,000)	Support of NEMI, SWAC and other third-party activities not as costly as projected.
TOTALS	4,128,762	4,549,167	(420,405)	(500,000)	

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TIMN 297409

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Public Relations Division Variance Analysis

Airlines

Cost Center Name

1312

Cost Center Number

October

Month

John Lyons

Cost Center Manager

Account#/Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1988	Explanation
5201/Repro. Print., & Draft.	27,319	41,667	(14,347)	(3,000)	We will produce a third edition of the smoker flight guide. Also, some costs will be recoded within this cost center, to this account.
7301/Professional Fees	281,224	263,333	17,891	0	Costs have been greater than projected due to unanticipated legislative activity. On budget by year's end because most cabin air quality costs assigned to 1302.
7501/Support Tob. & Other Organizations	54,052	104,167	(50,115)	(62,000)	Cabin air quality conference and other third-party activity will not occur.
TOTALS	362,595	409,167	(46,571)	(65,000)	

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TIMN 297410

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Public Relations Division Variance Analysis

Scientific Affairs

Cost Center Name

1302

Cost Center Number

October

Month

John Lyons

Cost Center Manager

Account#/Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1988	Explanation
5801/Legal Fees	94,962	77,778	17,184	20,000	Third quarter. C&B fees and expenses greater than projected due to more intensive recruiting activity. Year-end variance in the 20 percent over range is likely.
7301/Professional Fees	<u>235,762</u>	<u>738,889</u>	<u>(503,127)</u>	<u>(550,000)</u>	Activity of new scientists has been limited to the McGill conference and California Air Resources Board projects. While additional work will be undertaken in November and December, it unlikely that we will incur more than \$150,000 in costs.
TOTALS	330,723	816,667	(485,943)	(530,000)	

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TIMN 297411

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ADVERTISING

Primary Responsibility: Fred Panzer
Janet Bruce

Overview

Rumors of hearings were rife during October. Chairman Luken (D-OH) was said to be preparing for another hearing or markup on the "Protect Our Children from Cigarette Advertising Act of 1989," H.R. 1250. Initially, the timing was for late October or early November. By month's end, the date had slipped to sometime this winter.

Hearings were also threatened on the "Tobacco Export Reform Act of 1989," H.R. 1249. The sponsors, Reps. Mel Levine (D-CA) and Chet Atkins (D-MA), were said to be seeking the services of former Surgeon General Koop as a star witness in a hearing set for mid-November. The venue is to be the International Economic Policy and Trade subcommittee of the House Foreign Affairs committee.

We are working with allies to shore up the vote count of Committee Members on advertising legislation and to prepare for a Tobacco Institute role on the trade issue.

Highlights

Issue staff spent considerable time in preparation for briefings for: (1) RJR new management team on the advertising issue (2) the Communications Committee's review of the 1990 budget (3) Charley Powers' INFOTAB meeting in Hong Kong and (4) his meeting with SAD lobbyists in Arizona.

Beginning this month, advertising and publishing trade associations made heavy use of a brochure conceived by TI and published by the Freedom to Advertise Coalition (FAC). The graphic demonstration that the Synar/Luken legislation effectively bans cigarette advertising has been featured at annual and regional meetings of the Association of National Advertisers, the American Advertising Federation, the American Association of Advertising Agencies, the Magazine Publishers Association and the American Newspaper Publishers Association.

In addition, Reps. Billy Tauzin (D-LA) and Sonny Callahan (R-AL) and two other Members of the Energy and Commerce Committee will send the brochure as a Dear Colleague Letter to all Members of the House in November.

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TIMN 297412

Issue staff decided to go forward with a "pop" version of the C&B constitutional analysis of content-control legislation. However, the "pop" version will make no mention of either Luken or Synar, but focus on content control in general.

Meetings were held with consultants to finalize plans for additional media usage of Jolly Ann Davidson and the HYD booklets. Meetings with Media Relations are set for mid-November. Plans call for additional tours which will be geared less toward the media and more toward special interest groups (PTAs, school board meetings, etc.).

New plans also call for expanded use of a matte service to spread different messages to the media on the advertising issue, such as the freedom of commercial speech, the nature of advertising for a mature product category, and the economic impact of a ban on non-tobacco industries.

Jolly Ann Davidson completed a successful media tour in Anchorage last month. In addition to three radio interviews, the Anchorage Times did a half-page story on the HYD booklets and Jolly Ann's visit to Anchorage.

A representative of the Roman Catholic diocese of Phoenix, AZ, called to say that Bishop O'Brien had seen TI's Helping Youth Decide brochure and liked it so much that he wanted every Catholic family with teen-age children to have one. We are sending him 3,500 copies.

A blueline of a generic version of the C&B constitutional analysis of control-control legislation is waiting approval by Sam Chilcote. When printed, it will be adopted by the Freedom to Advertise Coalition and other third parties.

We are working with staff and consultant to bring key minority media and business groups into public opposition to Synar/Luken legislation.

Issue staff continues to work with the Advertising Project Coordinating Committee on a witness development program and a comprehensive advertising white paper.

The following documents are in legal clearance: (1) A new and stronger executive summary to the Peat Marwick study on the economic impact of an advertising ban. We drafted it; FAC cleared it and will adopt the printed study subject to membership approval. (2) The Washington Legal Foundation's first draft of a publication in its Working Papers series. The new publication will contain a legal analysis and compilation of documents about the advertising issue.

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TIFL 0536436

TIMN 297413

Public Relations Division Variance Analysis

Advertising

Cost Center Name

1308

Cost Center Number

October 1989

Month

Fred Panzer

Cost Center Manager

Account#/ Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1988	Explanation
5201/Repro. Printing & Drafting	\$ 55,358	\$ 62,500	(\$ 7,142)	(5,000)	Youth materials are in sufficient supply to meet demand. Delay in getting clearance for new ad ban pubs.
7301 Prof. Fees	\$275,682	\$312,500	\$ (38,818)	\$ 10,000	Additional prof. fees for hearings and related PR will eventually put us over budget.
7501 Support Tob. & Others	\$ 15,490	\$329,167	(\$313,676)	(\$195,000)	Departure of NASBE; delay in company approval of sponsorship/efforts; delay in tob. family coalition launch.
TOTAL	\$346,291	\$704,167	(\$357,875)	(\$190,000)	

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TIMN 297414

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FIRE SAFETY ISSUE
October 1989

Primary Responsibility: Karen Fernicola

Overview

Federal "fire-safe" cigarette legislation continued to languish in subcommittee, but a hearing on a Wisconsin bill and the threat in New York kept TI staff and consultants busy in October. Grant activity wound down this month, as we will be acting on future funding requests in 1990 to avoid severe budget overruns. However, we continue to keep TI's Fire Safety Education Program in the fire service's spotlight with presentations on our public education materials.

Highlights

A hearing was held mid-month on the Wisconsin "fire-safe" cigarette bill. The retired fire chief of Milwaukee, a longtime champion of a federal approach to cigarette fire safety research, testified that Wisconsin lacked the resources to develop cigarette fire safety standards. After two weeks without action, the bill was reported out of Wisconsin's Senate Judiciary Committee and sent to the Joint Finance Committee.

Two meetings with representatives of the Association of Fire Districts of the State of New York and the New York State Association of Fire Chiefs encouraged the groups to consider a joint resolution reaffirming support for the Boucher "fire-safe" cigarette bill and discouraging state legislation. The joint resolution is expected to pass in November, followed by letters written from officials of the two associations to New York Members of Congress encouraging action on the Boucher bill.

We conducted a workshop on The Institute's Fire Safety Education Program and public education research at the first annual statewide public fire educators conference in Waterville, Maine.

In response to the barrage of requests for TI materials from an item in the August/September issue of Firefighter's News, we mailed at least 400 letters to fire departments around the country asking their patience until the 1990 budget year, when our new reproduction budget will allow us to fulfill their requests.

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TIMN 297415

Fire Safety Issue--October Status Report
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For the third year in a row, the Nassau County, New York, fire service received a grant from The Institute toward its communitywide Fire EXPO.

The office of the California State Fire Marshal received a TI public education grant toward a series of billboards on smoke detector use and maintenance.

The West Coast Black Publishers Association conducted a fire safety panel at its sixth annual convention in Bakersfield, California. Several fire chiefs sitting on the panel enthusiastically applauded the TI-sponsored fire safety supplements that were published in five association members' papers during Fire Prevention Week.

On an episode aired this month, the CBS television program "48 Hours" featured various aspects of the fire problem in the United States. TriData's Phil Schaenman was consulted about his research on the international fire problem, but the show focused primarily on "hot" topics such as arson, forest fires and employment discrimination.

In its biweekly Link newsletter, the International Society of Fire Service Instructors (ISFSI) printed the resolution passed in August by the State Fire Marshals' Section of the International Association of Fire Chiefs endorsing the Boucher "fire-safe" cigarette bill. The Link is sent to Members of Congress in addition to ISFSI members.

Philip Morris executives received a briefing on The Institute's Fire Safety Education Program and the extent of fire service support for federal "fire-safe" cigarette legislation.

We presented the 1990 fire safety issue plan and budget at a Communications Committee meeting.

We attended the annual Fallen Firefighters' Memorial Service at the National Fire Academy in Emmitsburg, Maryland. Many key fire service officials paid respect to the memories and families of 134 firefighters who lost their lives in 1988.

A committee of the National Volunteer Fire Council Foundation Board of Directors, on which TI is represented, met with an expert on critical incident stress counseling to discuss the establishment of a firefighter stress support network as the first Foundation project.

We took advantage of the opportunity to meet with the Oregon State Fire Marshal while he was in town on business.

TI staff and consultants met to continue the hearing preparedness exercise in anticipation of possible state and federal hearings on "fire-safe" cigarette bills in 1990.

Next Month's Goals

Continue the hearing preparedness exercise, including preparation of a briefing book.

Arrange for visits to priority states.

Begin preparing state grant information for input into new computer system.

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TIMN 297417

Public Relations Division Variance Analysis

Fire Safety

Cost Center Name

1306

Cost Center Number

October 1989

Month

M. Gleason/K. Fernicola

Cost Center Manager

Account#/Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1988	Explanation
5200/Repro. Print & Draft	\$ 42,181	\$ 33,333	\$ 8,848	\$ 25,000	A greater than expected number of grant requests have required reprinting of materials.
7300/Prof. Fees	\$486,636	\$370,833	\$115,802	\$ 75,000	Need to secure and maintain fire service support for Boucher bill has increased consultant time on this issue.
7500/Support Tob. & Others	\$340,720	\$345,833	(\$ 5,114)	(\$ 67,000)	Year-end grant requests will be acted upon in 1990 to reduce 1989 budget overruns.
TOTALS	\$869,536	\$750,000	\$119,537	\$ 33,000	

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TIFL 0536441

TIMN 297418

SOCIAL COSTS

Primary Responsibility: Debbie Schoonmaker
Carol Hrycaj

Overview

Smoking and the State media tours were back on schedule in October.

Economist Dwight Lee was activated to testify in Florida and to write a response to an article that appeared in the September issue of the Journal of the Medical Association of Georgia.

Highlights

Last month, economist Richard Wagner traveled to San Diego, CA, Little Rock, AR, and Memphis, TN, to discuss Smoking and the State. Meanwhile, Robert Tollison appeared before the media in Los Angeles, CA, to address the social cost issue. We provided background information on legislative activity in each of the markets.

At State Activities' request, economist Dwight Lee testified in Florida in opposition to a proposed tax increase that would earmark revenue to fund indigent health care. The subject of "social costs" was raised in the hearing.

We also asked Lee to draft a response to an article on the alleged "social costs of smoking" in the State of Georgia. His reply, which is expected early next month, will be submitted to the Journal of the Medical Association of Georgia.

Promotional materials for the Price Waterhouse economic impact study moved forward last month. Working closely with Media Relations and consultants, we developed an executive summary suitable for a varied audience. By month's end, we reviewed and commented on a draft of the publication, and met with Production Services concerning layout and design concepts.

We met with a representative of the U.S. Chamber Foundation to request a proposal for the deveopment of the Social Cost Journal, and to discuss publication of the Prendergast monograph, which is nearing completion.

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TIMN 297419

We met with consultants regarding the potential for a social costs conference to be held by Spring 1990. We identified several approaches, as well as potential audiences and participants. We will further discuss within the Division before requesting a formal proposal from consultants.

Next Month's Goals

Complete Price Waterhouse promotional materials

Encourage FRD response to "fact sheet" before taking to production

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TIFL 0536443

TIMN 297420

Public Relations Division Variance Analysis

Social Costs

Cost Center Name

1311

Cost Center Number

October 1989

Month

Debbie Schoonmaker

Cost Center Manager

Account#/Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1988	Explanation
5201/Repro Print & Drftg.	\$ 22,398	\$129,167	(\$106,769)	(\$100,000)	Expenses for topic brochure and "fact sheet" expected by December.
7301/Prof. Fees	374,829	379,167	(4,338)	0	Expenses are on target.
7501/Suprt. Tob. & Other Org.	45,000	279,167	(234,167)	(242,000)	Expenses for journal expected in December.
TOTAL	4442,226	\$787,500	(\$345,273)	(\$342,000)	

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TIMIN 297421

MEDIA RELATIONS

Primary Responsibility: Brennan Dawson

Overview

October's activities for the media relations group were focused on new speaker training and ongoing programs and initiatives for ETS, media relations and hospitality. Media tours by consultants continued at a brisk and productive pace. Also, the airline issue continued to generate press attention, this month as the Conference Committee decided to ban smoking on virtually all domestic flights.

Highlights

Media interviews on the industry's point of view on the airline smoking issue made up the majority of interviews conducted by staff this month. The Conference Committee's actions initiated another wave of news stories, many of which focused on airline issue in the context of a broader anti-smoking agenda.

ETS plans and programs are proceeding, with the briefing book and promotional activities around an international conference showing progress. Specifically, chapters of the briefing book are now in a rough draft stage, and preliminary plans for promotion of the conference are now underway.

Media relations staff also worked with State Activities in several ways on local initiatives. Staff spoke at a rally in Kansas City and worked with local spokespeople in Kansas City and Greensboro. Plans were also developed, in conjunction with State Activities, to respond to positive and negative outcomes of the elections.

Consultant media tours this month included:

- o Gray Robertson, of Healthy Buildings International (HBI), conducted a media tour in New York City. Robertson's views on indoor air quality also appear in articles of Business Atlanta and Government Executive.
- o "Truth Squad" media tours, discussing ETS and indoor air quality, took Dr. David Weeks to Harrisburg and Philadelphia and Jack Peterson to Columbia, Greenville and Spartanburg.

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TIMN 297422

Media Relations
October Activities
page 2

- o Professors Robert Tollison and Richard Wagner conducted media tours on the "social costs of smoking" in Los Angeles, San Diego, Memphis and Little Rock. Among other media expressing interest, the Los Angeles Times requested an editorial, which has been submitted for possible publication.
- o Jolly Ann Davidson conducted a media tour in Anchorage.

In other activities this month:

Staff participated in the Arizona Restaurant/Hotel and Motel Association's annual convention.

Staff conducted a workshop on issues involving advertising bans during the Sixth Annual West Coast Black Publishers Association Convention in Bakersfield.

Overall in October, staff participated in 46 broadcast and 139 print interviews, responded to 392 information requests from the public and media and made 70 media relations contacts.

Next Month's Goals

New speaker training will continue next month, and is a priority.

Continue vigorous implementation of ETS plans.

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Public Relations Division Variance Analysis

Media Relations

Cost Center Name

1303

October 1989

Brennan Dawson

Cost Center Number

Month

Cost Center Manager

Account#/Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1988	Explanation
3901/Travel	\$ 62.9	\$191.7	\$(128.8)	\$(130.0)	Fewer speakers on road -- not expected to change in '89.
4000/Conferences	- 0 -	33.3	(33.3)	(40.0)	Tobacco college cancelled.
5101/Post. & Delivery	29.6	45.8	(16.2)	(15.0)	Low activity -- to pick up.
5201/Repro. Print & Draft	3.2	33.3	(30.1)	(33.0)	Low demand -- to change in last months.
5401/Other Office	66.5	54.2	12.3	15.0	Continuing high demand for tapes, transcripts and clips for reports & evaluation.
5501/Memb. & Training	.7	8.3	(7.6)	(2.0)	TI Hong Kong reimbursement; new speaker training by end of year.
6201/Ads & Space	13.4	8.3	5.1	7.0	Large number of trade shows.

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TIMN 297424

Public Relations Division Variance Analysis

Media Relations

Cost Center Name

1303

Cost Center Number

October 1989

Month

Brennan Dawson

Cost Center Manager

Account#/Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1988	Explanation
7301/Prof. Fees	143.6	550.0	(406.4)	(420.0)	Low activity for outside firms and little interest in local PR firms from SAD.
8030/Computer	2.3	10.0	(7.6)	(10.0)	
TOTALS	\$324.4	\$939.2	\$(614.8)	\$(650.0)	On-line services provided by Info. Center.

TIMIN 297425

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Public Relations Division Variance Analysis

General Coalitions

Cost Center Name

1307

Cost Center Number

October 1989

Month

Gleason / Stuntz

Cost Center Manager

Account#/ Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1988	Explanation
3900/Travel	\$ 130,499	\$ 145,833	(15,335)	(15,000)	Travel has been reduced to save money.
5100/Postage	\$ 3,232		3,232	7,000	TAN mailings were not a budgeted item.
5200/Repro., Print & Draft	\$ 46,561	\$ 37,500	9,061	10,000	Costs for Enough is Enough were unbudgeted, transferred from 1301 to this cost center.
5500/Member- ship	\$ 5,559	\$ 12,500	(6,941)	(9,000)	Staff is not availing themselves of training opportunities.
6200/Adver- tising	\$ 14,810	\$ 20,833	(6,024)	(10,000)	Coalition ad requests are down.

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TIMN 297426

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Continued/page 2

Public Relations Division Variance Analysis

General Coalitions

Cost Center Name

1307

Cost Center Number

October 1989

Month

Gleason / Stuntz

Cost Center Manager

Account/Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1988	Explanation
7300/Prof. fees	\$ 262,587	\$ 228,333	34,254	60,000	Veterans work for FRD is an unbudgeted item.
7500/Support tob. & other org.	\$ 1,171,775	\$ 1,026,667	145,108	(150,000)	LMC grants are running 30 days behind schedule.
TOTALS	\$ 1,635,023	\$ 1,471,666	\$ 163,335	(107,000)	

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TIMN 297427

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Public Relations Division Variance Analysis

General Coalitions

Cost Center Name

1307

Cost Center Number

October 1989

Month

Cleason

Cost Center Manager

Account/Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1988	Explanation
3900/Travel	\$ 130,499	\$ 145,833	(15,335)	(15,335)	Travel has been reduced
5100/Postage	\$ 3,232	-	3,232	1,000	Postage has increased
5200/Prepro, Print and Draft	\$ 46,561	\$ 37,500	9,061	10,000	Costs for 3 months were included, but not for the rest of the year
5500/Membership	\$ 5,559	\$ 12,500	(6,941)	(9,000)	Costs for 3 months were included, but not for the rest of the year
6200/Advertising	\$ 14,810	\$ 20,833	(6,024)	(10,000)	Costs for 3 months were included, but not for the rest of the year
7300/Prof. fees	\$ 262,587	\$ 228,333	34,254	60,000	Prof fees not included in the 3 months but included in the rest of the year
7500/Support tob. & other org.	\$ 1,171,775	\$ 1,026,667	145,108	(145,108)	Support for tobacco & other org. included in the 3 months but not in the rest of the year
TOTALS	\$ 1,635,023	\$ 1,471,666	\$ 163,357		Net amount for 1989 was calculated as follows: 163,357

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TIMN 297428

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Production Services

Primary Responsibility: Anne Cannell

Overview:

In October, we kept active with slide presentations, meeting materials, printing projects and gathering estimates for upcoming projects.

Highlights:

We completed the materials for the Government Relations Seminar. There were printed portfolios and agendas, name tags, tent cards, invitations and activity sign up sheets. Nine slide presentations consisting of 104 total slides were completed. The production schedule was very tight, and we delivered on deadline.

A new brochure was printed and delivered in four working days for the Business Council of New York State. It's another in our series of Employer's Guide to the Smoking Law.

Working with the National Tobacco Council, we printed over 50,000 copies of a four page "Enough is Enough" letter and "Tobacco Taxed to the Max" bumper sticker. Both were part of a large mailing project expected to be mailed in early November.

Rush slides were completed for Simon Turner at HBI who gave a presentation at the ETS/IAQ conference.

We gave a mini presentation on the production process to the Issue Staff. A new format for the approval steps was devised, discussed and implemented.

Next Month's Goals:

- . Inventory
- . Christmas projects

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TIMN 297429

Listed below are projects started, underway or completed this past month.

PUBLIC AFFAIRS

**A Constitutional Analysis of Proposed
Content Control Requirements for Tobacco
Product Advertising:**

- . Blueline being proofed.....Panzer

Consumer Tax Alliance:

- . Established P.O. Box
- . Letterhead designs in production.....Schoonmaker

Denver High-Rise Guide:

- . Blueline approved, printing.....Fernicola

Debunking the "Social Costs" of Smoking:

- . Galleys proofed, changes in production.....Hrycaj

Employer's Guide to the New York State Smoking Law:

- . Brochure produced rush for the NY State
Business Council.....Ransome

Framing:

- . 2 pieces completed.....Merryman

HBI:

- . IAQ company slide presentation delivered
- . IAQ rush slide presentation delivered for
conference
- . Company stationery packages printed
& delivered.....Thomas

OICA:

- . October newsletter copied and mailed.....Schoonmaker

Reprints:

- . NVFC envelopes.....Fernicola
- . Smoking in the Workplace:
Some Considerations.....Ransome

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TIMN 297430

Slides:

- . Updated and produced for Tisch Briefing.....Powers

"Social Costs" Setting the Record Straight:

- . Blueline in house for review.....Hrycaj

Tobacco Institute Sign:

- . Booth size sign delivered.....Miller

Tobacco Industry Profile:

- . Figures in, revised, awaiting blueline.....Booth

Workplace Response Mailing:

- . 44 orders sent to mailhouse for fulfillment.....Ransome

FEDERAL RELATIONS

Congressional Staff Christmas Party:

- . Invites printed, calligraphy started.....McGovern

Federal Relations Report:

- . Reprinted for inventory.....Judge

TIPAC:

- . NCR 3-part forms printed & delivered.....McGovern

Tobacco Leaf Belts:

- . New design in production.....McGovern

Ways & Means Committee Slide:

- . One slide produced for Tisch briefing.....Lewis

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TIMN 297431

STATE ACTIVITIES

Government Relations Seminar:

- . The following materials were produced for the meeting: Agendas, portfolios, name tags, tent cards, SDC invites, sign-up sheets, Jack Kelly Resolution and nine slide presentations consisting of 104 slides.....Cannell

Oregon Retailers brochure:

- . Estimates produced along with color xeroxes.....Boisse

National Tobacco Council:

- . "Enough is Enough", 3-page letter printed along with "Tobacco Taxed to The Max" bumper sticker, over 50,000 of each was printed and shipped rush.....Woodson

Sources of Building Problems:

- . 36 handouts produced rush for meeting.....Avedon

Slides:

- . Revised for Tisch presentation.....Cannell

ADMINISTRATION

Christmas Cards:

- . Bluelines in review.....Chilcote

Memo Pads:

- . Completed for.....Ferens, Merryman

INFORMATION CENTER

PRIMARY RESPONSIBILITY

MAUREEN BOOTH
JENNY DOWDEN

OVERVIEW

This month saw an increase of queries. There have been calls from state revenue offices. TI staff and member companies have kept us busy with computer searches, many of these requiring accessing new databases for business information. TIP has been delivered to Production Services.

HIGHLIGHTS

Jenny took a week of well deserved vacation, having stayed at her post the three months prior to my arrival. During her absence, I was helped with the daily reading by John Lyons, Janet Bruce and Carey Van Scoyoc. Susan Cronan made sure that the clips got copied and distributed every day, and saw to it that the periodicals were checked in, routed and filed. Special thanks to Marty Gleason and Brennan Dawson for lending their staff's time.

The first draft of the advertising bibliography of the studies held by The Tobacco Institute will be available the week of November 13, 1989.

TIP has been delivered to Anne Cannell for final work and is expected to be available at the beginning of December.

There have been a number of calls asking for U.S. cigarette consumption and production figures. State revenue offices have been asking for sales and excise tax numbers. We are still fielding calls for information on cellulose acetate tow.

The information staff has identified market research studies on the profitability of the "stop smoking" industry. A June, 1989 study from Marketdata Enterprises puts its dollar value at 285 million. We are double-checking for other, current studies.

Requests for information included the following:
(a * denotes that a computer search was also done.)

*Public Affairs asked for a listing of historical preservation associations.

Public Affairs requested that the library obtain the staff report summarizing the hearings on The Future of Health in America.

*Public Affairs asked for print media coverage of the Women Leadership Conference held in Boston.

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*Public Affairs requested information on the The Bipartisan Commission on Comprehensive Health Care/Pepper Commission.

Public Affairs asked for clips on VA hospitals from Indiana newspapers.

InfoTab requested a study by Dr. N. Halsey "Smoking as a risk factor for heterosexual transmission of HIV-1 in Haitian women."

A member company asked for our advice for selecting a news media data base.

A member company requested a list of the 16 states that prohibited smoking in the 1920's.

A member company asked for a figure representing the profitability of the 'stop-smoking' market.

Total Requests of the Information Center:

Staff - 37, Members - 19, Law firms - 3, other - 31. Total= 80.

Recent Aquisitions in Library

U.S. Congress. House. "Medical Alert: A Staff Report Summarizing the Hearings on 'The Future of Health Care in America'." Prepared for the Subcommittee on Education and Health, Joint Economic Committee, Oct. 2, 1989.

Grossman, M. Health Benefits of Increases in Alcohol and Cigarette Taxes. Working Paper no. 3082. Nat'l. Bureau of Economic Research, Inc. Aug. 1989.

Who's Who in America, 1989-1990 ed.

Who's Who in Finance and Industry, 1989-1990 ed.

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Public Relations Division Variance Analysis

INFORMATION CENTER

Cost Center Name

1304

Cost Center Number

OCTOBER 1989

Month

MAUREEN BOOTH

Cost Center Manager

Account#/ Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1988	Explanation
4800	50,444	37,500	12,944	15,000	2-3 year subscriptions have been instituted, per Administration's request. This was not budgeted for 1989.
8030	45,434	37,500	7,934	10,000	There has been an increase of searching in unfamiliar databases.
Totals	95,878	75,000	20,878	25,000	

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TIMN 297435