

May 27, 1989

MEMORANDUM

To: Samuel D. Chilcote, Jr.
Charles H. Powers

From: Susan Stuntz *SM*

Re: PM Pittsburgh Project

As I reported to you verbally, Les Zuke, PR director at Philip Morris, met last week with representatives from the Tobacco Industry Labor Management Committee, seeking labor's assistance with the Philip Morris accommodation program in Pittsburgh.

Zuke had called about a month ago seeking advice on approaching unions on the program, which appears to center around a major advertising campaign in newspapers and billboards, promoting a "new sign of the times" -- a decal supporting accommodation of smokers and nonsmokers in public places. Zuke indicated that PM was seeking the endorsements of union locals, that would agree to add their names to a list of program participants.

During our first phone conversation, he indicated that PM wished to approach unions itself, that it wanted to keep this program outside of the Labor Management Committee structure.

At my suggestion, Zuke called Joe Masterson of the BC&T. Masterson insisted that Zuke bring the proposal before representatives of the Labor Management Committee. Four were present for the May 19 meeting -- Masterson and Ray Scannell of BC&T, Jim Golden of the Sheet Metal Workers, and me. LMC consultants also attended at Masterson's request.

Zuke had briefed me in advance on portions of the program ... and on the request he intended to make of the unions. Based upon that briefing, I had succeeded in persuading the labor representatives to look favorably on the project, and to offer the assistance of the LMC consultants in encouraging Pittsburgh unions to support it.

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Unfortunately, Zuke had failed to brief me on the program in its entirety, nor had he shared any materials with me in advance, as he had agreed to do. Also, prior to the meeting, it appears that the PR firm working with Philip Morris on the project raised strenuous objections to other consultants becoming involved.

You will find attached a copy of the brochure PM is distributing to businesses in Pittsburgh. Although they failed to bring this brochure to the meeting, I was able to obtain a couple of copies by mail this week. Also attached is Joe Masterson's response to Zuke's requests. This letter was mailed late this week.

By way of summary, the unions raised a number of concerns with the Philip Morris project. All of these concerns can be addressed, although there was no indication from PM as to whether or when it would be able to address them. Union concerns include:

. The absence of a union "bug" on any of the materials, advertisements, or billboards that are being produced for the campaign. Zuke and PR counsel at Burson-Marsteller admitted that use of union print and design shops had never occurred to them. If union workers are not beneficiaries of the jobs that are resulting directly from the program, LMC representatives noted, it will be difficult for anyone to persuade Pittsburgh locals to support the project.

. PM's apparent failure to take steps to ensure that union contractors are involved in retrofit work being done at a local arts center under a PM grant. Also, the lack of involvement of local sheet metal worker unions in ventilation assistance being provided to restaurants.

. The absence of the union's National Energy Management Institute in an indoor air quality seminar supported by PM and sponsored by the local chamber. Also, the presence of an anti-union attorney at the same conference.

. PM's comments during the briefing that it was not interested in collective bargaining problems with the Pittsburgh law (Zuke indicates that PM does not want to stir up problems with the law ... its program is intended to accommodate everyone under the law). Also, Zuke noted that the program is "not trying to create clean indoor air."

These two issues -- collective bargaining and clean indoor air -- are the two areas in which labor has the strongest interest.

Although Zuke had insisted prior to the meeting that he and his PR counsel would visit union locals personally -- and that LMC consultants were not to become involved -- he appeared to soften that stance as the meeting moved forward.

In his response, Masterson outlines a program whereby the LMC believes it can encourage some local unions to endorse the program. We are awaiting Zuke's response.

As to the issue of how closely the PM program parallels The Institute's Great American Welcome ... the concept and ad copy are almost exact duplicates. We would recommend, however, that PM proceed with its test in Pittsburgh.

The resources being applied to the Pittsburgh program can never be duplicated by TI given current budget restraints. Nor do we believe the likely outcome of the program warrants large expenditures of money. We will continue our limited promotion of the "Welcome" and will include recommendations for its future with our 1990 plans.

Please let me know if you have any questions.

Attachments

cc: Brennan Dawson ✓
Martin Gleason