

MINNESOTA

Thomas Kelm/North State Advisors

Background:

The state of Minnesota ranks second in population in Region IV with 4.1 million people, or 28.2% of the six states in this region. Minnesota has a Democratic governor and a legislature that is split between the Democrats and the Republicans; 69/65 Republican majority in the House and 42/25 Democrat majority in the Senate. The political parties, the Democratic Farm Labor Party, or DFL, and the Independent Republican Party, or IR, are still relatively strong in this state. Minnesota has been spared much of the "rustbelt" turmoil in that it has concentrated its economic health in the so called "high tech" industry. 3M, Control Data, Honeywell and Sperry-Rand all enjoy thriving businesses in Minnesota.

Observations and Analysis:

1. What party is presently in control of House/Senate/Executive? With which party is lobbyist/firm most closely identified? Has this affiliation presented a problem?

As noted above, the Democrats control the Senate, Republicans control the House. We are fortunate that our legislative counsels, under the corporate name, North State Advisors, are bipartisan in nature and scope. Mr. Kelm, a DFL leader and former aid to Democratic governors and senators, maintains a firm grip on relationships with Democratic representatives and senators. Mr. David Krogseng, former Republican Party State Chairman, has served many years in positions of administration with Republican governors and senators. Their party affiliations have helped the tobacco industry immeasurably and repeatedly.

2. Does lobbyist have respect of and access to legislative and executive leadership? Has the lobbyist been able to keep up with the changes in the legislature?

Both Mssrs. Kelm and Krogseng have direct entre into the offices of legislative and executive leadership. Both Mssrs. Kelm and Krogseng understand the changes in the legislative process and legislative composition. Both gentlemen feel that as the legislature changes its membership as much as 30% every biennium, it is important to nurture and develop new relationships with younger legislators.

3. How many clients does the lobbyist/firm represent? In your opinion, does the lobbyist have too many clients to concentrate adequately on tobacco issues? Do any of these clients pose a possible conflict of interest?

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Mr. Kelm and North State Advisors represent the most distinguished clients in the state of Minnesota. His client list of nearly 20 industries and associations, ranging from Control Data, FMC Corporation, Minnesota Railroad Association and the Minnesota Sheriff's Association to the Minnesota Vikings, the Port Authority of St. Paul and Investments Diversified Services. In no way do I feel that Mr. Kelm and/or North State Advisors have too many clients to properly serve our industry's needs in the state of Minnesota, nor do I feel that any potential conflict presently exists with this relationship.

4. Does the lobbyist have national/federal contacts? Is he willing to use those contacts on federal issues?

Both Mr. Kelm and Mr. Krogseng have extensive federal relationships and have, on many occasions, utilized these contacts for industry purposes.

5. What is your opinion of lobbyist's overall track record with The Tobacco Institute during his tenure?

Since 1980, the track record of Tom Kelm and North State Advisors has been exemplary. The obvious exception to this record has been the recent 1985 legislative session when a 5 cent cigarette tax was passed to fund sewer projects and various health related activities. When considering the dozens of legislative measures placed before Mr. Kelm and North State Advisors, including sampling bans, numerous tax measures ranging as high as 72 cents per pack and other legislative matters squelched in the drafting stage, Mr. Kelm and North State Advisors have no peers.

6. Does lobbyist respond to your requests in a timely fashion?

Always, without exception.

7. Does lobbyist report legislative activities to RVP promptly? Have legislative actions occurred and lobbyist been unaware of events? Is it necessary to call lobbyist in order to obtain information that should have been conveyed as a natural course of business activity?

Tom Kelm and North State Advisors forward legislative reporting to this office within 24 hours of its introduction. It is never necessary to double check or to second guess Tom Kelm and North State Advisors when it pertains to industry issues.

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