THE TOBACCO INSTITUTE

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April 14, 1988

Mr. R. William Murray Philip Morris Companies, Inc. 120 Park Avenue New York, New York 10017

Dear Bill:

As we discussed earlier this week, The Tobacco Institute has developed a comprehensive strategic plan to manage the airline smoking restriction issue. This letter outlines that plan and provides a report on our activities to date.

As you know, last December, Congress enacted a law banning smoking for a two-year test period on flights of two hours or less. The ban is scheduled to "sunset" in April 1990, but anti-smoking activists continue to press for a total airline smoking ban. Consequently, our overriding objective is to ensure that the sunset provision takes effect as planned on April 23, 1990.

Our strategies and tactics reflect the extremely fluid nature of the issue and may have to be amended as appropriate. We will employ three fundamental strategies to create a political climate in which sunset can occur. First, and perhaps most important, we will encourage smokers to protest the federal ban, as well as private bans, such as the one announced recently by Northwest Airlines. The second strategy is to broaden the issue to encompass all aspects of cabin air quality and ventilation, while minimizing the public debate on environmental tobacco smoke (ETS). Finally, we will work to return the issue to the appropriate Congressional committees, and encourage Members of Congress to support sunset of the ban.

We are proceeding with specific short-term tactics and will implement additional ones as events unfold. Specifically:

1. Broaden the scope of an imminent Department of Transportation study of airliner cabin air quality. Originally designed as an ETS study only, DOT will soon issue a request for proposals (RFP) from independent contractors to conduct a comprehensive, empirical in-flight study of cabin air, including ETS. The RFP should be issued by June 1, but DOT's current schedule would result in the study not being completed until after the scheduled sunset of the ban. We are working with Members of Congress to compress the schedule so Congress will have definitive information in hand when considering the fate of the sunset provision.

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As it currently is proposed, the study will have two phases. Phase I will involve the collection and analysis of air samples. Phase II will assess the possible health effects of the Phase I results. Qualified researchers who are interested in conducting one or both phases of the study have been identified and will submit proposals to DOT once the RFP is published. The agency has convened a task force of government experts to review the proposals; known anti-smokers from the EPA and the National Cancer Institute (NCI) are members of the task force.

Obviously, there is potential for mischief, particularly during the health effects phase of the study, with the anti-smokers on the task force. We are taking steps, through our friends in Congress, to define more precisely the nature and methods of the health effects phase, and to minimize the anti-smokers' mischief-making ability.

Meanwhile, we are encouraging the board of the new Center for Indoor Air Research (chaired by Philip Morris' Thomas Osdene) to sponsor a "parallel" study of cabin air quality. A grant application from a Brigham Young University scientist is pending.

In addition, we have determined through Freedom of Information Act requests that EPA and NCI are conducting a joint study of flight attendant exposure to ETS. It appears that during the next 60 days aboard transcontinental Air Canada flights, body fluids of several flight attendants will be analyzed for cotinine as a "pilot" for possibly a larger study. The agencies have been less than candid about this project during the 18 months we have pursued it through FOIA. We continue to press for more information.

2. Discourage other airlines from following Northwest's lead. Informal polling suggests that other airlines are not inclined to ban smoking voluntarily but will monitor the effect on sales of Northwest's policy. In general, an industry-wide ban would eliminate competitive aspects of the issue, as well as most enforcement problems.

We are also keeping an eye on the international scene as we have learned that the World Health Organization is considering a policy statement recommending prohibition of smoking on all passenger aircraft worldwide. We have notified INFOTAB officials and requested that they monitor that development.

3. Encourage smoker protests to Congress, the airlines and DOT. We are working cooperatively with Dave Brenton, president of the Smoker's Rights Alliance (SRA), who aggressively challenged Northwest officials to debate their policy decision.

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His challenge received widespread media attention, particularly in Northwest's Minneapolis and Detroit hubs, and he has scheduled press conferences and interviews around the April 23 effective date for the federal and Northwest bans.

Beginning April 23 at Washington's National Airport and then moving to 12 other airports over the next month, SRA will picket airlines, establish smoker information centers, distribute materials, obtain signatures on petitions, and encourage letter writing by smokers. This activity will be centered in airline hub markets and home districts of key Members of Congress. Also, SRA will issue periodic news releases on airline smoking issues, particularly with respect to the on-time performance of flights on which smoking is banned. These projects will be funded by The Institute and coordinated by Institute staff.

We are also working with Philip Morris and RJ Reynolds staff to encourage smokers to write the airlines, DOT and Members of Congress. Philip Morris is proceeding with a broad-based direct mail campaign in response to Northwest's ban and in anticipation of the federal ban. Reynolds asked readers to write in its most recent editions of Choice and Regulatory Watch.

Earlier this year, members of The Institute's Tobacco Action Network (TAN) wrote more than 500 letters to airlines and 360 letters to DOT related to the California smoking ban on intrastate flights. TAN alerts this month and again next month will encourage protests of the federal and Northwest bans.

We are coordinating with Philip Morris and Reynolds to sustain a flow of smoker mail to the airlines and DOT for the full two-year period, and to Congress when appropriate.

4. Continue to educate key Members of Congress on ETS and overall cabin air quality issues. Through forums such as Wednesday's symposium and through private briefings we will attempt to engage Members in a constructive, dispassionate and factual dialogue about ETS science and to place ETS in the proper context of indoor air quality. As you well know, it may be difficult to persuade some Members to set aside their personal observations and feelings about tobacco smoke.

Meanwhile, at our urging, House aviation subcommittee chairman Norman Mineta (D-CA) is methodically pursuing the peer-review comments and other documents underlying the Surgeon General's 1986 report on "involuntary" smoking. Despite the unequivocal

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conclusions contained in the report's executive summary, we believe the underlying documents will reveal considerable divisions among those who helped prepare the report, and within the scientific community at large.

5. Seek airline union support of sunset. Efforts to encourage flight attendant attention to overall cabin air quality have not yet been successful. However, we assumed from the start that developing a working relationship with the flight attendants would be a long-term process because on the whole they are rather disorganized, and because many support the federal ban.

Pilots' continued assistance will hinge on Senator Ford's interest in the issue. Also, there are some indications of possible support from the Machinists.

As you can see, we are proceeding with a comprehensive plan to manage this extremely fluid and complex issue. I hope this explanation of our work provides sufficient detail to anticipate and answer most of your questions. It will undoubtedly raise others.

I look forward to discussing this matter with you further.

Sincerely,

Samuel D. Chilcote, Jr.

SDC:jhl

cc: Mr. Frank E. Resnik