

June 27, 1983

MEMORANDUM

TO: Samuel D. Chilcote

FROM: Katherine Becker, Peter G. Sparber

RE: Workplace Program

The staff task group on smoking in the workplace needs your approval to implement certain parts of its pending workplace proposal.

At our June 21 meeting to discuss (a) the need to revise The Institute's policy in the area of the public smoking restrictions and (b) the program proposed to deal with voluntary restrictions on smoking, the Committee of Counsel appeared to agree with the basic points presented:

- o That public smoking restrictions, whether legislated, litigated or volunteered, are all part of one massive issue.
- o That The Institute's resources are limited and that in dealing with this issue, we must decide when to fight, when not to and when to compromise; in other words, to be more flexible than we have been because opposing smoking restrictions may not always be in the best interest of smokers or the industry.

The Committee raised several questions which it felt would have to be resolved before it or the Executive Committee could react to our workplace proposal.

1. What is the scope of the entire public smoking issue (legislation, litigation, voluntary) and at what point is it no longer cost effective for The Institute to be involved? For example: should we fight public smoking ordinances in small towns?
2. What tactics appear to be the most effective? On this point, the members of the Committee said they would forward to Peter Sparber ideas which have already been

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considered in their own companies, for considerations by TI staff. It was clear that the Committee would like to review a more developed, more targeted proposal.

In our view the Committee confirmed that we are dealing with the right parts of the issue. However, we are still concerned that inaction while we continue to analyze the situation is dangerous.

The task force will move ahead as rapidly but as thoroughly as possible to answer the questions posed by the Committee of Counsel. However, we strongly recommend that while we are further analyzing, we proceed with certain parts of the program.

As agreed earlier, we are already using with good results Dr. Lew Solmon, the UCLA professor who has published an article refuting Dr. William Weis, the Seattle accounting professor who claims that smokers cost employers more than non-smokers. Additionally, we are looking for opportunities to use Solmon with the National Chamber Foundation.

However, we would like your permission to move ahead in several additional areas -- partly to deal directly with the issue and partly to prepare for an Executive Committee presentation on the program.

Specifically:

- o Begin establishing contact with officials of major trade unions in order to (a) determine their positions on smoking restrictions; (b) attempt to enlist their help and (c) identify ways TI and these unions might work together.

Since TI currently has few contacts with unions, we will use Ogilvy and Mather staff to introduce us. (Ogilvy has close ties to the AFL-CIO, AFSCME and the Tobacco Workers Union (Retail Workers). In preparation for these contacts, Ogilvy has proposed a half-day training session for select TI staff (see attached). The cost of this session would be \$2,265 and we see it as a necessary first step.

- o Proceed with the survey of workplace supervisors proposed by Response Analysis Corporation.

The questionnaire is developed, has been pre-tested and is ready for use in the field. Results could be on hand by early Fall. The projected cost of the project \$60,000, is well within budget. We are confident that this survey will be helpful as we deal with labor and management.

- o Develop a program for Executive Committee review that actively discourages companies from imposing restrictions.

Judging from the Committee of Counsel reaction to our proposal, it and the Executive Committee will need to see specific program recommendations before we can expect an approval.

We would like to outline a strategy and prepare materials, which we could use in helping another organization decide against smoking restrictions. This would include (as a fall back position) ways in which a company could impose restrictions as fairly as possible.

The Clorox Company has asked us to help them consider smoking restrictions (see attached memorandum from Bill Toohey.) We would like to investigate the possibility of working privately with Clorox to test our ideas in this area. There is almost nothing to lose and much to gain from doing this.

- o Learn how smokers relate to smoking restrictions: do they resent separate sections, or do they seek refuge in smoking sections?

This is the major unanswered question in the minds of many Committee members. These actions will help us answer it.

1. Obtaining member company research which looks at this question. We would request this in writing and follow-up with phone calls.
 2. Conduct 2-3 panels of smokers to probe on this question. (Response Analysis can conduct these at minimal cost).
 3. Review the data from the Minnesota survey being considered by State Activities to see how smokers view restrictions there.
- o Hire consultants (a) to help us in the area of group health insurance and (b) to support Lew Solmon.

Health insurance is the single most expensive employee benefit and it continues to be said that health insurance companies provide non-smoker discounts. This is untrue and we need some qualified help to attack the concept.

Also, Dr. Weis has the help of several other anti-smokers. In time, Solmon will need help too.

In both cases, we would like to begin discussions with consultants to determine where our options lie.

o Authorize resources to handle the above

For the time being, the task force can handle these assignments with the help of the agency. But, given our other assignments, we will need additional help if this program is to move ahead.

We need either (a) an existing professional staff member assigned fulltime to this project or (b) a new staff member. We prefer the latter since we do not feel there is anyone on staff at this time with the necessary qualifications or contacts to do this job.

Thank you for your support.