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**PUBLIC AFFAIRS  
MANAGEMENT PLAN PROGRESS REPORT**

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**May 1989**

**TI DN 0016945**

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MANAGEMENT PLAN PROGRESS REPORT**

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TABLE OF CONTENTS

<b>Excise Tax Issue</b>	
D. Schoonmaker, C. Hrycaj .....	1
<b>Public Smoking Issue</b>	
J. Lyons, S. Ransome, K. Thomas .....	2
<b>Airline Issue</b>	
J. Lyons .....	3
<b>Advertising Issue</b>	
F. Panzer, J. Bruce .....	4
<b>Fire Safety</b>	
K. Fernicola.....	5
<b>Social Cost</b>	
D. Schoonmaker, C. Hrycaj .....	6
<b>Media Relations</b>	
B. Dawson.....	7
<b>General Coalitions</b>	
M. Gleason, S. Stuntz .....	8
<b>Production Services</b>	
A. Cannell .....	9

TI DN 0016946

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TABLE OF CONTENTS

<b>Excise Tax Issue</b>	
D. Schoonmaker, C. Hrycaj .....	1
<b>Public Smoking Issue</b>	
J. Lyons, S. Ransome, K. Thomas .....	2
<b>Airline Issue</b>	
J. Lyons .....	3
<b>Advertising Issue</b>	
F. Panzer, J. Bruce .....	4
<b>Fire Safety</b>	
K. Fernicola.....	5
<b>Social Cost</b>	
D. Schoonmaker, C. Hrycaj .....	6
<b>Media Relations</b>	
B. Dawson.....	7
<b>General Coalitions</b>	
M. Gleason, S. Stuntz .....	8
<b>Production Services</b>	
A. Cannell .....	9

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**EXCISE TAX ISSUE**

**Primary Responsibility:** Debbie Schoonmaker  
Carol Hrycaj

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**Overview**

In May, our allies continued to build the record against regressive excise taxes as the American Agriculture Movement (AAM) released a new national study on excises. The event received the attention of AAM's primary audiences: the agriculture and tax media.

A proposal for an excise tax ad campaign moved forward internally and will be brought before the Communications Committee.

**Highlights**

The American Agriculture Movement (AAM) released at a press conference on Capitol Hill its study, "The Impact of Excise Taxes on Rural Americans." The event was covered by major wire and news services, as well as agriculture and tax media. Video and radio news releases were prepared featuring David Senter, AAM National Director, and Rep. Glenn English (D-OK).

The AAM study was distributed to Members of Congress with a "Dear Colleague" letter by Rep. Ike Skelton (D-MO), Chairman of the Congressional Rural Caucus. Sen. Howell Heflin (D-AL) distributed the study to Members of the Senate.

We are considering additional opportunities for an even wider distribution of the study and its striking results. For example, a brochure based on the AAM study is in the final draft stages. When complete, the publication will be distributed at AAM's state fair booths this summer.

By month's end, the second mailing to the AAM mailing list was finalized. In addition to soliciting new AAM members, the communication announced the release of AAM's study. Nearly 11,000 rural Americans opposed to excise tax increases will receive the mailing.

In May, we reviewed a proposal from creative consultants to produce and test-market advertisements on federal excise taxes and deficit reduction. At the request of Federal Relations, we prepared to move forward with the project and will seek approval from the Communications and Executive Committees.

The Coalition on Human Needs (CHN) has begun educating its members and allies on fiscal issues with tax-related outreach kits. More than 100 members of the Coalition are expected to use these budget and tax briefing materials in 1989 and 1990. As reported last month, CHN is scheduled to conduct several briefings this session with key Congressional staffers.

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**EXCISE TAX ISSUE**

**Primary Responsibility:** Debbie Schoonmaker  
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We continue to work with Leadership for the New Century on the post-conference "white paper" draft. Currently, our focus is on stylistic modifications and the final review. Meanwhile, we met with consultants to discuss promotion options for the completed product.

We provided Federal Relations with data and news items relating to tax polls conducted in 1989. Also for Federal Relations, we provided excise tax information in preparation for tax briefings and congressional visits.

In preparation for the National Association of Tobacco Dealers' upcoming coalition meeting, we continued to provide follow up assistance with the preparation of excise tax-related items.

The Economic Policy Institute's study of revenue options is under review in-house. We are considering assisting with promotion of the work.

We traveled to Chicago to attend a one-day conference on federal tax policy sponsored by the City Club of Chicago and Illinois CART.

We provided background information on tax issue programs and allies for member company briefings.

Divisional planning for the 1990 excise tax program was initiated at month's end.

**Next Month's Goals**

Draft 1990 tax plan

Seek Executive Committee approval of ad campaign

Complete AAM excise tax study brochure

Complete second mailing to AAM list

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**Public Relations Division Variance Analysis**

Excise Taxes

Cost Center Name

1305

May

Debbie Schoonmaker

Month

Cost Center Manager

Cost Center Number

Account#/Description	Year-to-date Expenses	Year-to-date Budget	Amount Over (Under) Budget	Projected Amt Over (Under) Budget at Dec. 31, 1968	Explanation
5201/Repro Print & Drftg	23,578	54,167	(30,589)	0	Production expenses for AAM materials expected next month
5401/Other Office Expenses	90	0	90	90	Not a budgeted item
7301/Prof Fees	293,082	243,750	49,332	50,000	Costs for economists' presentation and coordination of session at Southwest Social Science Assn. meeting took us over budget
7501/Support Tob & Other Orgs	204,809	357,917	(153,107)	(30,000)	Expenses for promoting rural America study expected in June
TOTAL	521,559	655,833	(134,274)	85,000	A \$65,000 unbudgeted PM ad expense will appear on next month's report

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**Public Relations Division Variance Analysis**

Excise Taxes

Cost Center Name

1305

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Debbie Schoonmaker

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TI DN 0016949

## PUBLIC SMOKING ISSUE

Primary Responsibility: John Lyons  
Sharon Ransome  
Kay Thomas

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### Overview

In May, we continued to make good progress implementing the public smoking issue plan. We continued to expand labor coalition work on indoor air quality. We continued efforts to recruit, train and deploy academic scientists on ETS. We also assisted Federal Relations Division in fighting a proposal to restrict smoking on board Amtrak trains.

### Highlights

#### Indoor Air Quality

Staff and public relations counsel assisted in the preparation of testimony and a media advisory for American Federation of Government Employees National Vice President David Schlein, who testified before the Senate Subcommittee on Superfund, Oceans and Water Protection regarding S. 657, the Indoor Air Quality Act of 1989 (the Mitchell bill). Schlein also worked with a staff member of the U.S. House Government Activities and Transportation Subcommittee in preparing for hearings on GSA oversight of the indoor air quality issue. A hearing may be held in late July.

At union requests, Tobacco Industry Labor Management Committee (LMC) representatives conducted indoor air quality presentations at the East Central Council meeting of the Bakery, Confectionery and Tobacco Workers International Union, at a meeting of the Sheboygan, Wisconsin Central Labor Council and at the 39th annual conference of the Massachusetts Painters and Allied Trades Union.

The New England Labor News and Commentary published the first article in a three-part indoor air quality series prepared at the newspaper's request by LMC representatives. Part II of the series is expected to be published in June.

The National Energy Management Institute (NEMI) completed work on Volume II of NEMI News and finalized production of its indoor air quality training manual.

We made progress in identifying and recruiting 12-15 academic scientists interested in ETS science. These experts would testify before Congress as well as important state and federal agencies, prepare substantive review papers for publication in scientific journals, and participate in relevant scientific conferences. By the end of the month, a total of seven potential experts had received and reviewed ETS literature. TI consultants are scheduled to interview four of the seven in June.

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Primary Responsibility: John Lyons  
Sharon Ransome  
Kay Thomas

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Public Smoking -- May Report  
Page Two

Consolidated Safety Services, Inc., completed preparation of an article on indoor air quality and ventilation for publication in the summer edition of Facilities Manager, the official publication of the Association of Physical Plant Administrators. The CSS report will be the feature article.

At the request of the Ramsay County, Minnesota Board of Supervisors, ACVA Atlantic completed indoor air quality investigations of two county-owned office buildings. Test reports will be available in June.

TI representatives attended four indoor air quality conferences this month, including the American Lung Association annual meeting, the American Industrial Hygiene Conference, a symposium on measurement of toxic and related air pollutants sponsored by EPA and the American Waste Management Association, and a working session on how to meet the new ASHRAE Ventilation standard.

#### Workplace Legal Program

John Fox persuaded the Labor Law Journal, a Commerce Clearing House publication, to reprint his California Western School of Law article, "Smoking in the Workplace: Accommodating Diversity," in an upcoming edition.

We began work on a response to the Employee Benefits Journal travesty on cost savings from a workplace smoking ban.

#### Corporate/Smoker Assistance

Production of the "Some Considerations" and "Smokers' Rights in the Workplace: An Employee Guide" was completed. Distribution is set for early June. Copies of the Kentucky employers' guide were delivered to the Kentucky Chamber of Commerce and the Associated Industries of Kentucky, sponsors of the brochure.

Staff and a consultant attorney briefed the workplace smoking committee of the Cobb American Bank in Atlanta. The briefing apparently moved the committee away from a fairly stringent policy to a more accommodating, more moderate stance. We provided copies of TI workplace smoking materials and offered further assistance in preparation of the policy. We will follow up with the committee in June.

We responded to approximately 80 requests for information/assistance concerning workplace smoking issues. The majority of the requests were from smokers.

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Public Smoking -- May Report  
Page Two

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Public Smoking - May Report  
Page Three

We completed a targeted mailing of more than 5,600 resource guides in Region III using an American Society of Personnel Administrators mailing list.

Unplanned Activity

Late in the month, Rep. Thomas Luken (D-OH), chairman of the House Subcommittee on Transportation and Hazardous Materials, introduced and held hearings on a measure further to restrict smoking on Amtrak trains. We coordinated with Amtrak on its response to the proposal. Amtrak officials argued forcefully that the measure is unnecessary and unwarranted, and that Amtrak's recent passenger survey demonstrates passenger satisfaction with Amtrak's handling of the issue.

Next Month's Goals

Review overall hospitality program.

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Page Three

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**Public Relations Division Variance Analysis**

Public Smoking

**Cost Center Name**

1309

**Cost Center Number**

May

**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
5101/Postage Fees	680	8,333	(7,654)	0	Resource guide mailings to be completed in May and June.
5201/Repro. Printing & Drafting	36,547	204,167	(167,620)	(140,000)	Costs for smokers' rights brochure and labor kit not yet incurred; should appear in June.
5801/Legal Fees	21,733	41,667	(19,933)	(15,000)	<b>"Redacted -- Privileged"</b>
6201/Advert. Space & Promo	695,398	291,667	403,731	(20,000)	"Enough is Enough" ads allocated here. BCC advertising eliminated.
7301/Prof. Fees	1,509,984	1,397,500	112,484	160,000	7.5 percent over budget. Certain consultants, including Holcomb Env., ENV Services and Pillsbury, Madison & Sutro, had extraordinarily high billings in May, due in part to April & May billings both appearing in May.

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**Public Relations Division Variance Analysis**

Public Smoking

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1309

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Public Relations Division Variance Analysis

Public Smoking (Continued)

Cost Center Name

1309

May

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
7501/Sprt. Tob. & Other Organizations	98,774	331,250	(232,476)	(200,000)	Labor and hospitality coalition costs less than anticipated.
TOTALS	2,363,514	2,274,583	88,931	(215,000)	

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Public Relations Division Variance Analysis

Public Smoking (Continued)

Cost Center Name

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**AIRLINES**

**Primary Responsibility: John Lyons**

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**Overview**

May activity focused on preparations for the House Aviation Subcommittee's hearings June 22 and, in particular, on Gray Robertson's airliner cabin air quality presentation.

**Highlights**

The House Aviation Subcommittee announced late in the month that it had tentatively set hearings on "issues related to banning smoking on board commercial aircraft" for June 22. Hearing preparations began, but we await word on whether Gray Robertson will be permitted to make his full cabin air quality presentation.

Gray delivered his slide presentation twice during the month before very different but appreciative audiences. Gray's presentation puts ETS in proper perspective, raises serious questions about microbial contamination and indicts aircraft ventilation systems. The presentation argues that airlines could provide more than adequate ventilation at little additional cost. The essence of the message is that for the sake of a few dollars, the airlines are making people sick. Gray is scheduled June 1 to deliver his presentation to select members of the House Aviation Subcommittee. We hope they will assist in assuring that Gray is permitted to make his presentation in the form of testimony on June 22.

DOT rejected our FOIA administrative appeal for the scientific protocols for the DOT cabin air quality study. [ R ] On the political side, we prepared a letter for Rep. Tim Valentine's (D-NC) signature requesting the protocols prior to the hearings.

Senior DOT officials indicated they would entertain suggestions for government scientists to add to the CEER panel. We are working with counsel to determine whether we should offer candidates.

We distributed the "Passport to Smokers' Flights" custom timetable to approximately 1,200 airline activists. We also worked with SAD staff to prepare the second TAN alert on the issue. We are offering the smokers' flight guide to interested TAN members.

The Smoker's Rights Alliance airport information centers continue to produce solid results. In April, the four centers reported collecting more than 1,300 petition signatures and distributing more than 400 "Passport to Smokers' Rights" kits.

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**AIRLINES**

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**Airlines - March Report  
Page Two**

**In Need of Attention**

**Airport air quality audits by ENV Services.**

**APA/USA marketing.**

**TI DN 0016956**

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**Airlines - March Report  
Page Two**

**In Need of Attention**

**Airport air quality audits by ENV Services.**

**APA/USA marketing.**

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**Public Relations Division Variance Analysis**

Airlines

**Cost Center Name**

1312

**Cost Center Number**

May

**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. Printing & Drafting	0	20,833	(20,833)	10,000	No costs yet for "Passport to Smokers' Flights".
7301/Prof. Fees	141,901	131,667	10,235	25,000	7.8 percent over budget. Paul, Hastings, Janofsky, and Walker, and Phoenix Marketing had both April and May bills paid in May. Also, OAG & CEHHT work paid in May.
7501/Sprt. Tob. & Other Organizations	11,120	52,083	(40,964)	(25,000)	Minimal third-party activity to support.
<b>TOTALS</b>	<b>153,021</b>	<b>204,583</b>	<b>(51,562)</b>	<b>10,000</b>	

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**Public Relations Division Variance Analysis**

Airlines

**Cost Center Name**

1312

**Cost Center Number**

May

**Month**

John Lyons

**Cost Center Manager**

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<b>TOTALS</b>	<b>153,021</b>	<b>204,583</b>	<b>(51,562)</b>	<b>10,000</b>	

TI DN 0016957

**ADVERTISING ISSUE**  
**Monthly Status Report**  
**May 1989**

**Primary Responsibility: Fred Panzer**  
**Janet Bruce**

---

**Overview**

State legislative activities continue to command the attention of TI and its allies on the advertising front. Five restrictive bills to limit outdoor advertising were defeated in Illinois by a coalition of alcohol, tobacco, advertising and media groups, plus the American Civil Liberties Union (ACLU). Newest outbreak is in Ohio. Legislation combining alcohol and tobacco advertising is becoming a trend. Bills have been introduced in ten states: Arizona, Illinois, Iowa, Maine, Massachusetts, Michigan, Mississippi, Ohio, Virginia and West Virginia. Next appearance is expected in Congress.

On the federal level, activity in opposition to the Luken/Synar content-control bills moved to the "grass roots phase." Having completed its canvass of key Energy and Commerce Committee members (13 to 10 in our favor on Synar; 12 to 6 in our favor on Luken), the Freedom to Advertise Coalition (FAC) began developing a plan to activate quality constituent contacts in seven Congressional districts.

Advertising and media allies also began quietly to lobby members of the House and Senate tax-writing committees against a generic advertising tax and -- at our behest -- against product-specific versions such as the Bradley/Stark bill.

The announcement expected early next month of the Surgeon General's recommendations to deal with drunk driving has provided us the opportunity of improving our coalition-building potential with associations in both the advertising and alcohol industries. The slippery slope is clear as the latter group now perceives the fallacy of Congressman Synar's claim that his anti-advertising bill is uniquely directed at the tobacco industry. The alcoholic beverage industry and their advertising and media suppliers, including broadcasters, also share a common threat in terms of ad deductibility and youth sales legislation.

**Highlights**

The Tobacco 2000 meeting of allied trade associations in the distribution sector of the industry has been postponed until early fall. Materials have been re-edited, and will be used at NATD's "Day in Washington" legislative meeting in July.

Efforts continue to coordinate training dates for CASE witnesses whose names were provided by R.J. Reynolds. Philip Morris is

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**TI DN 0016958**

**ADVERTISING ISSUE**  
**Monthly Status Report**  
**May 1989**

**Primary Responsibility: Fred Panzer**  
**Janet Bruce**

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**Overview**

State legislative activities continue to command the attention of TI and its allies on the advertising front. Five restrictive bills to limit outdoor advertising were defeated in Illinois by a coalition of alcohol, tobacco, advertising and media groups, plus the American Civil Liberties Union (ACLU). Newest outbreak is in Ohio. Legislation combining alcohol and tobacco advertising is becoming a trend. Bills have been introduced in ten states: Arizona, Illinois, Iowa, Maine, Massachusetts, Michigan, Mississippi, Ohio, Virginia and West Virginia. Next appearance is expected in Congress.

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**TI DN 0016958**

writing to its list, soliciting membership in CASE and asking for names of potential witnesses for testimony or written statements.

Several sites have been selected for the Responsible Living Program media tours to begin in July. Press kits have been printed for the tours promoting HYD and HYSN booklets.

We worked on preparing our 1990 plan, due the first week in June; participated in a policy-review and idea development seminar with consultants; and have included many of their useful recommendations in our plan.

We arranged for Professor Sterling and Don Hoel to brief TI PAD and FRD staff on research that impinges on the advertising issue and the subject of social costs.

Visuals dramatically showing that the Synar and Luken bills are tantamount to an ad ban have been completed. They have been very well received by TI staff, consultants, member company Washington reps and FAC allies. [ R J

Publication and promotion of the Peat-Marwick study of the economic impact of an ad ban is being considered by FAC. Initially, the study is being used to provide guidance to the AAF's ad club in Pittsburgh and to Ketchum Advertising. The purpose is to show Congressman Walgren that the proposal will hurt his ad industry constituents.

We have submitted draft white papers analyzing the Levine/Atkins bill and the extent of anti-smoking communications. We are also working with agency media buyers to further quantify adverse news coverage.

#### Next Month's Goals

[ R ]

2. Resume efforts to bring retail and convenience store associations into FAC. This activity had been deferred pending the Tobacco 2000 meeting that has now been put off until the Fall.

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TI DN 0016959

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**Public Relations Division Variance Analysis**

Advertising  
**Cost Center Name**

1301  
**Cost Center Number**

May 1989  
**Month**

F. 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., Print & Drafting	\$ 14,724	\$ 31,250	( 16,527)	(10,000)	Youth materials are in sufficient supply to meet demand. Delay in getting clearance for new ad ban publications.
7301 Prof. Fees	\$163,600	\$156,250	7,350	25,000	
7501 Support Tob. & Others	\$ 13,124	\$164,583	(151,459)	(75,000)	
<b>TOTAL</b>	<b>\$192,683</b>	<b>\$352,083</b>	<b>(159,401)</b>	<b>(60,000)</b>	Departure of NASBE; delay in company approval of sponsorship/CASE effort; delay in Tobacco 2000/NATD meeting launch.

TI DN 0016960

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**Public Relations Division Variance Analysis**

Advertising  
**Cost Center Name**

1301  
**Cost Center Number**

May 1989  
**Month**

F. 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
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**FIRE SAFETY ISSUE**

**Primary Responsibility: Karen Fernicola**

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**Overview**

In May, our efforts turned to strengthening the fire service support that has been expressed for the Boucher/Bliley "fire-safe" cigarette bill. In continuing to build our relationships with fire service officials, we attended two national conferences and met with New York State fire service representatives. At month's end, our attention focused on updating the issue plan for 1990.

**Highlights**

Reps. Boucher and Bliley, sponsors of the industry-supported Fire Safe Cigarette Implementation Act of 1989, distributed a second "Dear Colleague" letter, which pointed out the broad fire service support the bill has received. We plan to send the "Dear Colleague" to fire service officials with a cover letter updating them on the bill's status.

Rep. Moakley also prepared a "Dear Colleague" letter--his third--seeking cosponsors for his "fire-safe" cigarette bill. It is unclear whether Moakley's ascension to chairman of the House Rules Committee will affect the status of "fire-safe" cigarette legislation in the 101st Congress.

Given Moakley's stepped-up attempts to secure fire service support for his bill, our focus has shifted temporarily from gaining new endorsements to strengthening the support that already has been expressed by fire service groups for the Boucher/Bliley bill.

The International Association of Fire Fighters, which went on record last year as supporting the Boucher bill, endorsed the Moakley bill at month's end after receiving pressure from Moakley and its Massachusetts local to do so. However, IAFF has not asked to be removed from the list of Boucher/Bliley bill supporters.

In response to a request from TI's Region II office, we provided information on the status of federal "fire-safe" cigarette legislation as field staff prepared for an assembly committee hearing on a New York cigarette fire safety bill.

TI DN 0016961

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**FIRE SAFETY ISSUE**

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TI DN 0016961

**Fire Safety Issue--May Status Report  
Page 2**

TI was represented on a panel that discussed "Community Fire Prevention Issues" at the 1989 National Fire Prevention and Education Conference held by the International Society of Fire Service Instructors in Crystal City, Virginia. Consultant Phil Schaezman addressed "The Value of Public Education" and presented a preview of TI/TriData study results documenting the effectiveness of public fire education.

We also attended the annual conference of the National Fire Protection Association (NFPA) in Washington, DC, where we met and renewed relations with many key officials of the fire service. A TI representative served on the meeting's Welcoming Committee.

Preliminary discussions at the NFPA meeting led to a meeting later in the month with representatives of the New York State Association of Fire Chiefs, Association of Fire Districts of New York and Firemen's Association of the State of New York. These are powerful groups that only a few years ago were lobbying strongly for state "fire-safe" cigarette legislation.

We fulfilled the second half of a grant commitment made in 1987 to the St. Paul, Minnesota, Fire Department for its smoke detector campaign.

Working through the New York State Fire Academy, TI sponsored a Burn Concerns Juvenile Firesetters Workshop in Monroe County, New York.

In preparation for drafting the 1990 plan, we have begun reviewing our 1989 fire safety issue plan.

**Next Month's Goals**

Complete first draft of 1990 issues plan.

Send update/thank you letters to fire service organizations that have endorsed H.R. 673.

**TI DN 0016962**

**Fire Safety Issue--May Status Report  
Page 2**

TI was represented on a panel that discussed "Community Fire Prevention Issues" at the 1989 National Fire Prevention and Education Conference held by the International Society of Fire Service Instructors in Crystal City, Virginia. Consultant Phil Schaezman addressed "The Value of Public Education" and presented a preview of TI/TriData study results documenting the effectiveness of public fire education.

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**Next Month's Goals**

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Send update/thank you letters to fire service organizations that have endorsed H.R. 673.

**TI DN 0016962**

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**Public Relations Division Variance Analysis**

**Fire Safety**

**Cost Center Name**

1306

**Cost Center Number**

May 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
5201/Repro print & draft	31,846	16,667	15,179	0	Printing of IAFC membership brochure increased the variance temporarily.
7301/Prof fees	233,557	185,417	48,141	0	Tri Data's quarterly retainer payment has put us temporarily over budget
7501/Sunport tobacco & other orgs	169,818	172,917	(3,099)	0	On target
TOTALS	435,221	375,000	60,221	0	

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**Public Relations Division Variance Analysis**

**Fire Safety**

**Cost Center Name**

1306

**Cost Center Number**

May 1989

Month

M. Gleason/K. Fernicola  
Cost Center Manager

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<b>TOTALS</b>	<b>435,221</b>	<b>375,000</b>	<b>60,221</b>	<b>0</b>	

TI DN 0016963

## SOCIAL COST ISSUE

Primary Responsibility: Debbie Schoonmaker  
Carol Hrycaj

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### Overview

Consulting economists have completed drafts of two research projects commissioned for the 1989 social cost program. These papers, along with an additional draft paper received earlier this year, bring the total of new research to seven.

Social cost arguments continue to be brought to the attention of the media and public audiences with the successful promotion of Smoking and the State.

### Highlights

Promotion of Smoking and the State continued in May with Bob Tollison and Richard Wagner discussing the issue with media in Miami, Orlando, Tallahassee and Birmingham. Information pertaining to tobacco legislation in these states was provided in advance of the tours. In recent years, anti-tobacco forces in Southeastern states have aggressively promoted their social cost claims.

Consulting economists have submitted two additional pieces of social cost research commissioned in 1989: "Smokers' Subsidy of Nonsmokers' Retirement Benefits," by Richard Higgins; and "Self Interest, Public Interest and Public Health," by Bob Tollison and Richard Wagner. Currently, we are reviewing and seeking clearance of these works.

Next month, Gary Anderson will present the findings of his research, "The Social Cost of Everyday Life," during a meeting of the Western Economic Association. This will be the first time a component of the 1988 social cost research program is presented to the economists' academic peers.

We are reviewing a proposal for a treatise on the subject of tax earmarking. "Charging Beneficiaries for Public Services: User Charges and Earmarked Taxes in Principle and Practice," to be edited by Richard Wagner, would approach the issue from a public choice perspective. Several leaders in this school of economic theory will contribute chapters to the book.

The Social Cost Council held its second meeting in May. We reviewed the preliminary draft of a John Hopkins economist's research on the cost of government regulation. In addition, we discussed the development of a social cost journal to be published quarterly.

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TI DN 001696

## SOCIAL COST ISSUE

Primary Responsibility: Debbie Schoonmaker  
Carol Hrycaj

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### Overview

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In a related matter, we attended a National Chamber Foundation dinner at which members of the Social Cost Council were introduced to members of the Foundation's Council on Trends and Perspectives.

Materials that will enable us to explain social cost arguments to a wider audience are undergoing review internally. One of the documents will offer a rebuttal of the most frequently heard anti-tobacco positions on smokers' alleged costs to society including absenteeism, productivity and insurance and health care.

We met with Professor Ted Sterling to discuss research proposals and his efforts in several areas, including social costs.

Planning for the 1990 social cost program is underway.

**Next Month's Goals**

Draft 1990 social cost plan

Forward recommendation for earmarking book

Attend Western Economic Association meeting

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Forward recommendation for earmarking book

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**Public Relations Division Variance Analysis**

Social Costs  
**Cost Center Name**

1311  
**Cost Center Number**

May  
**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	6,018	64,583	(58,565)	(30,000)	Reprints of economic papers and Social Cost Council journal articles expected later in year
7301/Prof Fees	221,158	189,583	31,575	0	Second of three billings for economists' research took us over budget
7501/Support Tob & Other Orgs	22,500	139,583	(117,083)	(35,000)	Expenses for Social Cost Council research and conference expected in 2nd-3rd quarters
TOTAL	249,676	393,750	(144,074)	(65,000)	

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**Public Relations Division Variance Analysis**

Social Costs  
**Cost Center Name**  
1311  
**Cost Center Number**

May  
**Month**

Debbie Schoonmaker  
**Cost Center Manager**

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**MEDIA RELATIONS**

**Primary Responsibility: Brennan Dawson**

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**Overview**

During May, Media Relations activity was slow, as there were no anti-smoking announcements or industry initiatives fueling the media. This month, we continued to assess and operate current programs at a fast pace, train new staff and work with consultants on media activity.

**Highlights**

Media Relations staff participated in three hospitality trade shows during the month of May:

- the Alabama Hotel and Motel Association,
- the New Mexico Hotel and Motel Association and
- the Illinois Restaurant Association.

Additionally, some 9,000 Great American Welcome kits were distributed by mail to members of the D.C. area and Washington State Restaurant Associations.

A new plan for targeted promotion of the Great American Welcome was developed by Media staff to be set into motion next month.

Media Relations also emphasized a return to targeted mailing to the media. In May:

- Legal and Business editors at daily newspapers nationwide received copies of the three new legal reviews on smoking in the workplace, and
- The "Passport to Smokers' Flights," now being distributed by TI and member companies, was the subject of a targeted mailing to some 1,500 travel editors at daily and weekly newspapers across the country.

Gray Robertson conducted a media tour in Houston, San Antonio and Austin. Robertson was also featured in articles in The Economist and in Business Age, a magazine with a circulation of 190,000 geared toward small business owners and managers in the U.S. and Canada.

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**MEDIA RELATIONS**

**Primary Responsibility: Brennan Dawson**

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**Overview**

During May, Media Relations activity was slow, as there were no anti-smoking announcements or industry initiatives fueling the media. This month, we continued to assess and operate current programs at a fast pace, train new staff and work with consultants on media activity.

**Highlights**

Media Relations staff participated in three hospitality trade shows during the month of May:

- the Alabama Hotel and Motel Association,
- the New Mexico Hotel and Motel Association and
- the Illinois Restaurant Association.

Additionally, some 9,000 Great American Welcome kits were distributed by mail to members of the D.C. area and Washington State Restaurant Associations.

A new plan for targeted promotion of the Great American Welcome was developed by Media staff to be set into motion next month.

Media Relations also emphasized a return to targeted mailing to the media. In May:

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**Media Relations  
May 1989  
page 2**

"Truth Squad" media tours, discussing ETS and indoor air quality, took Dr. David Weeks to Richmond and the Tidewater area, and Jack Peterson to Oklahoma City and Tulsa.

Media tours on the alleged "social costs" of smoking by consulting economists Tollison and Wagner were conducted in Miami, Orlando, Tallahassee and Birmingham.

TI-consultant and management labor attorney John Fox appeared on CNN's "Sonya Live," discussing smoking in the workplace.

In speeches this month, TI speakers addressed a DC area Rotary Club and a group of visiting students from Colgate University. Additionally, we conducted a briefing for a Philip Morris (Kuwait) employee.

Staff participated in 18 broadcast interviews, 79 print interviews, responded to 231 information requests from the public and media and made 32 media relations contacts in May.

**Next Month's Goals**

We anticipate finishing the training program for our new speaker next month.

The 1990 plan and budget for Media Relations will require attention so that it can be submitted for initial comments.

Clear and implement new Great American Welcome plans for a targeted strategy of promotion.

Plan and conduct media activity associated with anticipated hearing on airline smoking issues.

Distribute, to all major media outlets, information on TI and a rolodex card with information.

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**Media Relations  
May 1989  
page 2**

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Public Relations Division Variance Analysis

Media Relations

Cost Center Name

1303

May 1989

Brennan M. 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	\$ 36.9	\$ 95.8	\$( 58.8)	\$( 60.0)	fewer speakers on road.
4000/Conferences	0	16.7	( 16.7)	( 27.0)	Considering cancelling tobacco College.
5101/Postage & Delivery	5.7	22.9	( 17.2)	( 10.0)	Activity resumed.
5201/Repro. Print & Draft	.9	16.7	( 15.8)	- 0 -	Low demand.
5401/Other Office	33.9	27.1	6.8	12.0	High demand for tapes, transcripts & clips for reporting & evaluation.
5501/Memb. Staff Tr.	( 1.8)	4.2	( 6.0)	( 2.0)	SI Hong Kong reimbursement.
6201/Ads & Space	9.3	4.2	5.1	7.0	Large number of trade shows.
7301/Prof. fees	71.1	275.0	(203.8)	(100.0)	Low activity for outside firms; little interest for local PR firms from SAD.
<b>TOTALS</b>	<b>\$157.9</b>	<b>\$469.5</b>	<b>\$(311.7)</b>	<b>\$(180.0)</b>	

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Public Relations Division Variance Analysis

Media Relations

Cost Center Name

1303

May 1989

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Cost Center Number

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**Public Relations Division Variance Analysis**

General Coalitions

**Cost Center Name**

1307

**Cost Center Number**

May 1989

**Month**

M. Gleason / S. 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	\$ 62,823	\$ 72,917	( 10,094)	0	Travel expenses will increase as table purchases pick up.
5100/Postage	\$ 7,281	0	\$ 7,281	\$ 15,000	TAN mailings were not budgeted for 1989.
5200/Repro., Print & Draft	\$ 18,500	\$ 18,750	( 250)	( 15,000)	On target. Costs will slow down remainder of year, as all Heritage books have been produced
5500/Membership	\$ 1,145	\$ 6,250	( 5,105)	( 5,000)	Staff training requests have fallen off. They are expected to pick up during second half.
6200/Adver- tising	\$ 1,500	\$ 10,417	( 8,917)	( 15,000)	Requests are few for ads in allies' publications and programs.

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Continued

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**Public Relations Division Variance Analysis**

General Coalitions

**Cost Center Name**

1307

**Cost Center Number**

May 1989

**Month**

M. Gleason / S. Stuntz

**Cost Center Manager**

<b>Account#/ Description</b>	<b>Year-to-date Expenses</b>	<b>Year-to-date Budget</b>	<b>Amount Over (Under) Budget</b>	<b>Projected Amt Over (Under) Budget at Dec. 31, 1988</b>	<b>Explanation</b>
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**Public Relations Division Variance Analysis**

General Coalitions (Continued)

**Cost Center Name**

1307

**Cost Center Number**

May 1989

**Month**

M. Gleason / S. Stuntz

**Cost Center Manager**

<b>Account/Description</b>	<b>Year-to-date Expenses</b>	<b>Year-to-date Budget</b>	<b>Amount Over (Under) Budget</b>	<b>Projected Amt Over (Under) Budget at Dec. 31, 1988</b>	<b>Explanation</b>
7300/Professional fees	\$ 103,335	\$ 114,167	( 10,832)	0	On target.
7500/Support Tob. & other orgs.	\$ 415,932	\$ 513,333	( 97,401)	( 35,000)	Veterans, Hispanic programs are back on track, labor program is intensifying.
<b>TOTALS</b>	<b>\$ 610,712</b>	<b>\$ 737,083</b>	<b>( 126,371)</b>	<b>( 55,000)</b>	

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**Public Relations Division Variance Analysis**

General Coalitions (Continued)

**Cost Center Name**

1307

**Cost Center Number**

May 1989

**Month**

M. Gleason / S. Stuntz

**Cost Center Manager**

<b>Account/Description</b>	<b>Year-to-date Expenses</b>	<b>Year-to-date Budget</b>	<b>Amount Over (Under) Budget</b>	<b>Projected Amt Over (Under) Budget at Dec. 31, 1988</b>	<b>Explanation</b>
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TI DN 0016971

## PRODUCTION SERVICES

Primary Responsibility: Anne Cannell

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### Overview:

In May we produced various slide presentations, printed and delivered a host of new publications, and coordinated several multiple mailings.

### Highlights:

"The Labor Guide to Collective Bargaining on Indoor Air Quality Issues" was printed and collated. Distribution will be in conjunction with the Labor Management Committee's ongoing IAQ program.

Two new workplace brochures have been completed:

- o "Smoking in the Workplace: Some Considerations" is an updated executive summary of the workplace kit.
- o "Workplace Smoking: Kentucky - A Guide for Employers" is another in our State Chamber series.

Our new topic brochure, "Smoking and Young People - Where the Tobacco Industry Stands," became available this month.

We developed a newsletter design for the Business Council on Indoor Air Quality (BCIA). Within the next few months, BCIA's newsletter titled Indoor Air Bulletin will be in print.

Over 200 slides were produced in-house for the RJR briefing. With the help of Gail Dieman in Data Processing, new graphic slides were produced.

Gray Robertson's 34-image slide presentation, "Air Quality and Safety," was produced in 4 working days; additional slides are in progress. Robertson used the package for briefings given on the Hill.

The recent Observer/CA Prop. 99 TAN membership drive stirred up a lot of activity. To date, we have over 1,000 new members.

### Next Month's Goals:

- . Audio-visual equipment
- . Inventory/Publication list
- . Presentation graphics
- . Start revision on PSD 1990 Plan

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TI DN 0016972

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TI DN 0016972



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

PUBLIC AFFAIRS

**ACVA:**

- . 11 overheads and 34 rush slides produced for Airline briefing
- . Estimates gathered for comprehensive bids on new logo design.....Lyons

**BCIA:**

- . Newsletter designed, rush
- . Membership brochure design in production.....Thomas

**Burn Concerns:**

- . Slide proofs returned, minor changes in production.....Fernicola

**Denver High-Rise Guide:**

- . Typeset copy in-house, under review.....Fernicola

**Labor Guide to Collective Bargaining on Indoor Air Quality Issues:**

- . Printed & collated, waiting for delivery instructions.....Thomas

**OICA:**

- . May newsletter copied and mailed.....Schoonmaker

**Photographs:**

- . Various photos pulled from files for Philip Morris.....PSD

**Reprints:**

- . FIRECARE Videos.....Fernicola
- . New Tools Ads.....Fernicola
- . An Assessment of the Current Legal Climate.....Lyons
- . Smoking Restrictions: The Hidden Threat.....Lyons

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**TI DN 0016973**

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PUBLIC AFFAIRS

**ACVA:**

- . 11 overheads and 34 rush slides produced for Airline briefing
- . Estimates gathered for comprehensive bids on new logo design.....Lyons

**BCIA:**

- . Newsletter designed, rush
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PUBLIC AFFAIRS (continued)

**RJR Briefing:**

- . 190 slides produced in-house.....Powers

**Slides:**

- . Produced rush for Communications Committee meeting.....Stuntz

**Smokers' Rights in the Workplace:**

**An Employee Guide:**

- . Blueline being reviewed.....Ransome

**Smoking & Young People -**

**Where the Tobacco Industry Stands:**

- . Printed and delivered.....Bruce

**Smoking in the Workplace: Some Considerations**

- . Printed and delivered.....Ransome

**"Social Costs" Setting the Record Straight:**

- . Blueline in-house.....Hrycaj

**Timelines:**

- . Two versions completed for Tax Advertisements.....Schoonmaker

**Tobacco 2000:**

- . Bluelines in-house under review.....Bruce

**Tombstone Advertisements:**

- . Ads in production for hearing use.....Panzer

**USO:**

- . Program typeset, designed and printed.....Stuntz
- . Place cards for three tables done in calligraphy.....Stuntz

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**TI DN 0016974**

PUBLIC AFFAIRS (continued)

**RJR Briefing:**

- . 190 slides produced in-house.....Powers

**Slides:**

- . Produced rush for Communications Committee meeting.....Stuntz

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**Smoking & Young People -  
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PUBLIC AFFAIRS (continued)

**Workplace Smoking: Kentucky - A Guide for Employers:**

- . Printed and delivered.....Ransome

**Workplace Response Mailing:**

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

**Workplace Smoking: A Resource Guide:**

- . A mailing to over 5,600 Personnel  
Administrator members is in production.....Ransome

**FEDERAL RELATIONS**

**Indoor Air Quality Hearing:**

- . Arranged for transcript.....Lewis

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**TI DN 0016975**

PUBLIC AFFAIRS (continued)

**Workplace Smoking: Kentucky - A Guide for Employers:**

- . Printed and delivered.....Ransome

**Workplace Response Mailing:**

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

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**TI DN 0016975**

ADMINISTRATION

**Check Request Forms:**

- . Printed two new versions, T.I. & TILMC.....Peck

**Employee Manual:**

- . Art in production for forms .....Mead

**Memo Pads:**

- . Completed for: Walker, Stuntz, Boisse,  
Rita, Schoonmaker

STATE ACTIVITIES

**TAN Mailing:**

- . Observer and CA Prop. 99 membership  
drive materials completed and mailed.....Woodson

**RJR Briefing:**

- . 20 slides produced rush.....Malmgren

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**TI DN 0016976**

ADMINISTRATION

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- . Printed two new versions, T.I. & TILMC.....Peck

**Employee Manual:**

- . Art in production for forms .....Mead

**Memo Pads:**

- . Completed for: Walker, Stuntz, Boisse,  
Rita, Schoonmaker

STATE ACTIVITIES

**TAN Mailing:**

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