

CONFIDENTIAL:
MINNESOTA TOBACCO LITIGATION

MEMORANDUM

September 22, 1992

TO: Management Committee
Coordinating Committee

FROM: Bob McAdam

SUBJECT: Nebraska Tax Initiative Update

Overview

While we are not currently on the ballot in Nebraska, the possibility exists that the proponents will succeed in overturning the Secretary of State's decisions on invalidating certain signatures. In anticipation of this possibility, we have begun to assemble a campaign plan and have developed a projected expenditure program that will allow us to launch those tactics that are necessary should we have to wage a full-fledged campaign.

Legal Status

The Secretary of State denied the proponents ballot status, citing a total number of valid signatures that was approximately 250 short of the total needed. The proponents of the initiative have filed a court case seeking to overturn the invalidation of 550 signatures that were deemed invalid by the Secretary of State because they appeared on petitions circulated by individuals who were not properly registered voters.

We have filed a counter suit that alleges that a number of signatures beyond those cited by the Secretary of State are invalid due to forgery, improper listing of addresses, and improper notarization.

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Furthermore,

comments made by the judge when the hearing schedule was being determined indicate he is currently predisposed to side with the proponents.

The hearing scheduled indicates that we should have some idea of how the court will decide this issue by September 29. At that time the Secretary of State must issue absentee ballot applications and therefore the ballot must be in final form.

Since the courts in Nebraska have had a history of siding with the proponents in cases such as these, we cannot be overly optimistic about the outcome of this case.

TIMN 0030920

Survey Research

We have just completed our first benchmark survey here. The results indicate that 64% of the people support the initiative. While there are few "push questions" that seem to work exceptionally well, the overall discussion of opposition arguments appears to move voters in our direction.

In the coming two weeks we will begin to test some ad concepts through focus groups so that we are prepared to launch a media campaign should one become necessary.

Campaign Themes

Because of the different nature of this initiative, some of our normal themes are not applicable to this situation.

Anti-Tax: The survey indicates there is a substantial anti-tax sentiment that we can tap into in this state. The strength of this issue may result in this being our primary message.

Decreasing Revenue for Existing Programs: Similar to Montana, there is a concern that current tobacco revenue may be threatened by this dedicated increase. Current revenue is used for the University of Nebraska, an institution which tests positively in the poll. Our discussion with the University indicates they may be willing to take a position against the tax.

Farmers Threatened: The proceeds of the tax are likely to go to the Environmental Trust Act Commission which Nebraska farmers perceive as a major threat. The local affiliates of these agencies would be further strengthened by this influx of money. As a consequence, we have been working with the state farm bureau to enlist its opposition to the initiative.

Media

We have not yet determined a media plan or located an in-state media buyer.

Voter Contact

We are in the process of assembling the voter lists and merging them with company lists to identify unregistered smokers. We will subsequently launch an issue-oriented voter identification phone program that will help us target our direct mail effort.

Coalitions

Beyond the farm bureau and the University, we have not yet launched an effort to broaden our coalition base.