

**1985 LEGISLATIVE SEMINAR  
THE GREENBRIER**

**REMARKS BY  
ROGER L. MOZINGO  
SENIOR VICE PRESIDENT  
THE TOBACCO INSTITUTE**

**OCTOBER 25, 1985**

**CONFIDENTIAL:  
MISSISSIPPI TOBACCO LITIGATION**

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ON BEHALF OF OUR ENTIRE STAFF, I WANT TO THANK EACH OF YOU FOR THE OUTSTANDING JOB YOU DO FOR THE TOBACCO INSTITUTE AND, MORE IMPORTANTLY, FOR THE ENTIRE INDUSTRY. WE SEEM TO SAY IT EVERY YEAR, BUT IT REALLY HOLDS TRUE FOR 1985--I CANNOT RECALL A TIME WHEN THE TOBACCO INDUSTRY FACED MORE CHALLENGES. CONSIDER A FEW FACTS:

- . FORTY-THREE STATES HAVE CONSIDERED, OR ARE STILL CONSIDERING, TAX LEGISLATION. MUCH OF THIS ACTIVITY IS A DIRECT RESULT OF THE FEDERAL CIGARETTE EXCISE SUNSET SITUATION.
- . THIRTY-SEVEN STATES AND A LARGE NUMBER OF COMMUNITIES REVIEWED SMOKING RESTRICTION LEGISLATION; MUCH OF IT CENTERED ON THE WORKPLACE, THE ANTI'S LATEST FRONT.
- . INITIATIVES AND REFERENDA CONTINUED TO SUPPLANT THE LEGISLATIVE PROCESS IN SOME AREAS OF THE COUNTRY. FURTHER,

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SEVERAL LOCAL HEALTH BOARDS TOOK CONTROL OF THE SMOKING RESTRICTION ISSUE, TRADITIONALLY THE PROVINCE OF CITY HALL.

- . SAMPLING LEGISLATION WON'T GO AWAY.
- . "SELF-EXTINGUISHING" LEGISLATION LIES DORMANT IN MANY STATES BUT REMAINS A PRIORITY CONCERN.
- . TO TOP IT OFF, EMERGING ISSUES, LED BY PRODUCT LIABILITY LEGISLATION, WILL BE ON OUR AGENDA NOW AND IN THE FORESEEABLE FUTURE.

UNDER SIMILAR CIRCUMSTANCES, LESSER INDUSTRIES MIGHT HAVE FOLDED THEIR TENTS.

BUT LESSER INDUSTRIES AREN'T BLESSED WITH THE BEST--FORTUNATELY, WE ARE. IT IS NO EXAGGERATION TO SAY THAT YOUR WORK, IN CONJUNCTION WITH OUR STAFF AND EXCELLENT SUPPORT FROM OUR MEMBERS, KEPT 1985 FROM TURNING INTO A DISASTER. I REMAIN OPTIMISTIC THAT WE WILL CONTINUE TO BE SUCCESSFUL.

DURING THIS MEETING, WE WILL REVIEW SOME OF OUR PROBLEM AREAS FROM 1985 AND CONTINUE THE IMPORTANT TASK OF PLANNING FOR 1986. REMEMBER, THIS IS YOUR MEETING. THERE ARE NO WALLFLOWERS IN THIS ROOM, AND WE SEEK YOUR PARTICIPATION IN THE DISCUSSIONS. IF ANY

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- . TOMORROW, WE WILL HEAR A VIEW FROM THE STATES FROM THREE OUTSTANDING STATE LEGISLATORS.
  
- . BOB LEWIS, IN CHARGE OF TI'S FEDERAL RELATIONS DIVISION, WILL REVIEW THE FEDERAL SITUATION. AS YOU CAN IMAGINE, BOB HAS HAD HIS HANDS FULL THIS YEAR WITH MANY ISSUES WE FACED FIRST AT THE STATE LEVEL, PLUS THE NAGGING TAX ISSUE.
  
- . OUR SESSION HERE WOULD NOT BE COMPLETE WITHOUT A HARD LOOK AT SOME OF THE EMERGING ISSUES WE ARE CERTAIN TO FACE IN 1986 AND BEYOND. PRODUCT LIABILITY LEGISLATION, PUTTING HEALTH CARE COST CONTAINMENT ON THE BACK OF THE TOBACCO INDUSTRY, AND OTHER ISSUES WILL BE REVIEWED BY BILL CANNELL.
  
- . WE ENCOURAGE YOU TO TAKE FULL ADVANTAGE OF THE REGIONAL SESSIONS THAT WRAP UP OUR MEETING. MAKE THOSE DISCUSSIONS, CHAIRED BY OUR REGIONAL VICE PRESIDENTS AND DIRECTORS, FRANK AND PRODUCTIVE. THESE ARE IMPORTANT SESSIONS IN TERMS OF OUR PLANNING AND PREPARATION. NOW IS THE TIME TO OUTLINE LEGISLATIVE PLANNING FOR 1986.
  
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[ SLIDE OF TAXES, AND 1986 FORECAST ]

- . WE MAY NOT SEE THE 1985 VOLUME OF TAX LEGISLATION IN 1986, BUT THE POTENTIAL IS CERTAINLY THERE. FURTHER, THE GAME HAS CHANGED A BIT. IN YEARS PAST, LEGISLATORS CONSIDERED A TWO OR THREE-CENT EXCISE HIKE SUBSTANTIAL; TODAY, THANKS IN LARGE MEASURE TO THE FEDERAL SUNSET BROUHAHA, THE STAKES HAVE RISEN--THE MINDSET SEEMS TO BE FIXED ON EIGHT-CENTS. ALSO, ANTI-TOBACCO LEGISLATORS HAVE COME OUT OF THE CLOSET. MANY NOW ADMIT--AND USE AS AN ARGUMENT--THEIR PREMISE THAT HIGHER CIGARETTE TAXES SHOULD BE PUNITIVE, SHOULD HELP REDUCE CONSUMPTION. I WOULD LIKE TO THANK THOSE OF YOU WHO HELPED THIS YEAR WITH THE FEDERAL TAX ISSUE. YOUR SUPPORT WAS BENEFICIAL AND EXTREMELY IMPORTANT.

[ SLIDE OF SMOKING RESTRICTIONS, STATE FORECAST ]

- . WORKPLACE BILLS CONTINUE TO DOG US, STATEWIDE AND LOCALLY. UP TO 40 STATES ARE LIKELY TO PUSH FOR ANTI-SMOKING LAWS IN 1986. THE MAJOR THRUST WILL AGAIN BE ON THE WORKPLACE. WE ARE SEEING MORE AND MORE RESTRICTIONS BEFORE HEALTH BOARD PANELS INSTEAD OF BEFORE THE MORE TRADITIONAL BODIES LIKE CITY AND COUNTY COUNCILS.
- . WE COULD ALSO BE HAMPERED IN OUR EFFORTS BY U.S. SENATOR TED STEVENS OF ALASKA. STEVENS' U.S. GOVERNMENT BUILDING SMOKING RESTRICTION PROPOSAL IS MOVING IN THE CONGRESS. UNDOUBTEDLY,

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[ SLIDE OF INITIATIVES/REFERENDA RESULTS IN 1984/1985]

- . ANOTHER FORUM IN WHICH TOBACCO ISSUES ARE BEING HIGHLIGHTED IS IN THE AREA OF INITIATIVES AND REFERENDA. SEVERAL COLORADO TOWNS ARE FOLLOWING THE LEAD OF FT. COLLINS. TUCSON VOTERS WILL DECIDE ON TWO ANTI-SMOKING QUESTIONS IN TEN DAYS. PLEASE REMAIN ALERT TO THIS ANTI-SMOKING ANGLE.

[ SLIDE OF OTHER ISSUES OF CONCERN]

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- . OTHER NEW ISSUES ARE ALSO ON THE HORIZON. A YEAR AGO, WHO COULD HAVE IMAGINED THE COMPLICATIONS OF CLOVE CIGARETTES. AND WHILE WE ARE MOSTLY OBSERVERS OF THE CLOVE CIGARETTE ISSUE, OTHERS LIKE IT CAN AND DO BRING UNWELCOMED FOCUS, GIVING THE ANTI-SMOKERS ONE MORE WAY TO CURSE US AS AN INDUSTRY.

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[ SLIDE OF FOUR FUNDAMENTALS]

- . LAST YEAR, MOST OF YOU SAW OUR 48-SLIDE STATE ACTIVITIES PRESENTATION. THIS YEAR, WE DO NOT BELIEVE IT NECESSARY TO RERUN TI'S ANSWER TO GONE WITH THE WIND. BUT IT IS IMPORTANT TO REVIEW OUR BASIC STRUCTURE, HOW WE GET FROM A TO B. AS YOU CAN SEE ON THE SLIDE AND ON THE HANDOUT IN YOUR FOLDER, YOU, OUR LEGISLATIVE COUNSEL, ARE THE MOST IMPORTANT PART OF THIS ORGANIZATION.

- . A FEW IMPORTANT POINTS TO KEEP IN MIND, AND TO DISCUSS MORE THOROUGHLY IN YOUR REGIONAL SESSIONS, WOULD INCLUDE:

- LOBBYISTS WORK DIRECTLY WITH RVPs/RDs
- HEADQUARTERS LIKES OUR RVPs (WIEDEMEIER TO DC)
- ADDITIONAL LOBBYISTS
- MORE POLITICAL CONTRIBUTIONS/HONORARIA
- FINEST POLICY CMTE.
- IMPORTANCE OF LEGISLATIVE REPORTING TO OUR MEMBER COMPANIES
- USE OF ALLIES/COALITIONS/TAN
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[ SLIDE OF REGIONAL ALIGNMENT ]

WE BELIEVE OUR NEW REGIONAL ALIGNMENT ENABLES US TO FUNCTION BETTER THAN EVER. FOR THOSE OF YOU NOT AWARE OF THE NEW SET-UP, HERE IS OUR REGIONAL MAP. I MIGHT ADD THAT PLANS ARE UNDERWAY TO ENHANCE OUR EFFORTS IN REGIONS ONE AND FIVE BY ADDING A REGIONAL DIRECTOR TO EACH OF THOSE AREAS. AS YOU KNOW, WE HAVE BEEN FORTUNATE TO ACQUIRE THE SERVICES OF PAUL JACOBSON IN REGION FOUR. PAUL WILL WORK WITH MICHAEL BROZEK OUT OF OUR WISCONSIN OFFICE.

AT HEADQUARTERS, WE HAVE GAINED THE TALENTS OF THREE NEW PROFESSIONAL STAFFERS. FORMERLY UNDER THE DIRECTION OF DAN MILWAY IN TI'S ADMINISTRATION DIVISION, THESE NEW STAFF POSITIONS WILL ENABLE US TO BETTER PREPARE--AND DELIVER--THE SUPPORT AND RESOURCES YOU NEED. WE WILL HAVE ADDED STRENGTH IN OUR RESEARCH CAPABILITIES, ESPECIALLY IN THE AREAS OF TAXATION AND SMOKING RESTRICTIONS.

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- . THE FLORIDA CLEAN INDOOR AIR ACT PREEMPTS MUNICIPAL SMOKING RESTRICTIONS AND NARROWS OUR BATTLEFIELD. THAT WEAK FLORIDA RESTRICTION LAW, AT LEAST FOR THE MOMENT, EFFECTIVELY SHUTS OUT VOCAL ANTI-SMOKERS AT THE LOCAL LEVEL.
  
- . STATES THAT ADOPTED OUTRIGHT 8-CENT TAX INCREASES REPRESENT ONLY A SMALL PERCENTAGE OF OUR MARKET SHARE.
  
- . THE SAMPLING BAN ISSUE--AND THE ADVERTISING RESTRICTION QUESTION IN GENERAL--REMAINS IN CHECK.
  
- . EXTENSIVE ANTI-TOBACCO "HEALTH PLANS" IN TEXAS, MINNESOTA, NEW MEXICO AND UTAH BORE LITTLE FRUIT.
  
- . IN WEST VIRGINIA, INDIVIDUAL EMPLOYEES OF THE STATE'S HUMAN SERVICES DEPARTMENT--ON THEIR OWN--INITIATED A SUIT AGAINST THE DEPARTMENT'S SMOKING BAN.

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