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**INTEROFFICE MEMORANDUM**

May 21, 1993

TO: Mr. Jim Johnston

Following are highlights of activities in our Public Relations department for the week of May 17-21, 1993:

- Camel -- The Greensboro News & Record continues to respond to information provided by the Coalition on Smoking OR Health feeding it information about the FTC and Camel. They ran two stories today based on letters from Novello and Koop to Chairman Steiger.

Seventeen Magazine called to fact-check comments about Joe Camel and industry advertising positions for an article they have done on SmokeFree Educational Services. We took the opportunity to explain the background of the code and provided a copy.

- Savings -- PR worked with public issues and government relations to get approvals on the "Tax Relief" POS program for Doral, Monarch and Best Value in states which have passed tax increases.
- Marketing Seminar -- PR held its second annual issues seminar for the marketing staff, which this year included promotions, BIAD, media and selected sales staff.
- Psychiatric Association -- At their meeting this weekend, the American Psychiatric Association is expected to vote on a motion condemning use of psychographic analyses in the marketing of cigarettes. A Harvard researcher will present a paper based on the purported Dakota marketing documents leaked to anti-smoking organizations several years ago.

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"We work for smokers."

- Rural Hall Landfill -- The Rural Hall Independent and the Winston-Salem Journal called about the landfill/watershed issue. We are positioning it as being handled cooperatively by all parties for mutual beneficial results.
- Chamber Education Luncheon -- Dr. Dale Parnell, the "father of Tech Prep," delivered the keynote address at the 5/20 luncheon attended by approximately 400 area educators and businesspersons. Dr. Parnell made a separate appearance to a group of about 125 representatives of the W-S/FC school system and Forsyth Technical Community College to answer their questions about Tech Prep. By carefully scheduling services of our Graphics staff, this year's sponsorship of the education luncheon has provided high quality support of the event at a considerably lower cost to the company.
- Agricultural Community Communications -- Ray Wilkinson of WRAL and the Tobacco Radio Network in Raleigh called to report his interview with JWJ at the FMI in Chicago has run both on the WRAL/TV morning show and the Tobacco Radio Network. Also, Ray worked with "Farming America" in producing a piece explaining that the no-cost tobacco program actually makes money for the government. The piece ran on 300 stations in 40 states.
- National Black Theatre Festival -- PR's Community Relations team is finalizing arrangements and developing press kits, posters, fliers, tickets and letters to promote June 1 combination press conference/public announcement of the Festival.
- Salem Freshside Salute Ad Campaign -- PR worked with Marketing and Corporate Affairs to hold a luncheon ceremony to present Rosalyn Hinson of Philadelphia with a check for \$5,000 as the first Salem Freshside Salute Ad recipient.
- Brushfire Surveys -- Public Affairs met with Vince Breglio and Ron Hinckley of R/S/M to discuss the development and implementation of "brushfire surveys" for Public Affairs. These surveys are designed to provide quick feedback on pertinent issues facing RJR and the industry. Major topics, including the FET, ETS, advertising practices (such as Camel), and the role of government within the cigarette industry, will be addressed. The questionnaire will be forwarded the first week in June for review/approval. The first survey is scheduled for mid-June with the results due back in less than a week after it is initiated.

- FET Focus Groups -- Public Affairs attended FET focus groups in Pittsburgh on May 17-18. There were several good concepts and, importantly, there appears to be some level of consistency with previous focus groups on this topic. The strongest conceptual areas dealt with the issues of middle class tax squeeze, unemployment, crime (and to some degree the example of Canada with its high tax rate), and what product will be taxed next. The current advertising concepts have been forwarded to Legal for their review. No additional focus groups have been scheduled at this time. Further development on these concepts will be dependent on the reaction to the ads by the respective managements of RJR and PM.
- National Restaurant Association -- RJR will be a major participant in the NRA show in Chicago this weekend. Hoy Bohanon of the Engineering Department will give a ventilation presentation to the NRA's technical group and Public Affairs' new "Improving Restaurant Ventilation" guide will be distributed to attendees. We have set up several meetings with NRA board members to continue our efforts on ETS.
- RJR Success Academy Luncheon -- Held luncheon to show appreciation to the 80+ employees who volunteered to work with RJR Success Academy this year. Also used this meeting to get feedback from volunteers regarding their experience in the program.
- Ambassadors for Education -- Held first Ambassadors for Education workshop for non-RJR employees. The audience consisted of parents of middle school students and the panel of educators had representatives from middle and high school. We have been requested to consider an abbreviated version of the course that could be used in all of the schools.

AG/SUPPLIERS EAGLE TEAM

- Florida -- Loaned leaf buyer Mike Gilreath organized a Florida Growers meeting in Lake City, FL on Tuesday, May 18. Approximately 50% of the 400 FL allotment holders were present. Speakers included representatives from the FL Warehouse Assoc., Tobacco Growers Information Committee, TI, FL Farm Bureau and FC Ken Walton. The main topic was FET. Sen. Randy Mackey was present but didn't speak. The meeting was very effective and no import issues came up. There will be coverage by six area weekly papers.
- Virginia -- Leaf loan buyer Bob Burnette is getting approximately 400 calls and letters generated to Sen. Charles Robb. RJR sales reps state-wide will begin distribution Monday 5/24 of 25,000 flyers asking for calls and letters to Robb.

- Greenville, S.C. -- A tobacco rally was held Thursday, 5/20/93 in Greenville. Leaf buyer Ray Tuten and Eagle Robert Egleston attended the rally, which was covered by CBS News.

#### TRADE EAGLE TEAM

- Truckstop Program -- The Eagle trade team was instrumental in having an article written by the quarterly trade pub "Truckstop World" dealing with local restrictions affecting a Massachusetts truckstop. In addition, a follow-up piece is being produced on the necessity of working to defeat excise taxes.

The Eagle trade team has now produced custom FET brochures for NACS, AWMA and SIGMA. In addition a brochure has been produced for general use at retail.

#### SPORTS SPONSORS TEAM

- Working with Sports Marketing, over 130 of the nation's leading sports sponsors have been invited to a special dinner and weekend in Charlotte surrounding The Winston race. A number of RJR executives will talk to this select group about their support on our issues.

#### TACTICAL ACTIONS

- FET Contacts -- The field coordinators report personal visits with the following members of Congress: Rep. Peter Hoekstra (R-MI-2), Sen. George Mitchell (D-ME), Sen. Bill Cohen (R-ME), Rep. Tom Andrews (D-ME-1), Rep. Bob Dornan (R-CA-46), Rep. Eric Fingerhut (D-OH-19), Rep. Bob Franks (R-NJ-7), Rep. Dick Zimmer (R-NJ-12), Rep. Rick Lazio (R-NY-2), Rep. William Coyne (D-PA-14) and Rep. John Murtha (D-PA-12). Hoekstra, Dornan, Franks, Zimmer and Murtha stated their opposition to raising the FET. Mr. Coyne will not support a "blanket" raising of the tax, but may agree to phasing in a smaller tax over a period of years. Sens. Mitchell and Cohen, and Rep. Lazio would not state a position. Reps. Andrews and Fingerhut favor the tax increase. The following congressional aides held meetings with smokers' rights leaders or coalition partners: Rep. Jill Long (D-IL-4), Rep. Susan Molinari (R-NY-13), Rep. Jerome Nadler (D-NY-8), Sen. Harris Wofford (D-PA), and Rep. Mel Reynolds (D-IL-2). The staffers of Long, Molinari and Wofford would not commit to an FET position. Nadler and Reynolds will support the tax increase.

The following members responded in writing regarding their positions on the FET: Rep. Pat Danner (D-MO-6), Sen. Daniel Patrick Moynihan (D-NY), Rep. Michael McNulty (D-NY-21), and Rep. Peter Hoagland (D-NE). Danner is opposed to the tax increase, Moynihan favors it, and McNulty and Hoagland are non-committal.

- **Coalitions** -- The following groups were contacted by our FCs: Nebraska Grocers Association, the Spartan Food Group (MI), Kaiser and Sons Distributors (IN), major black publishers in New York, Ohio Coin Vending Association, Ohio Grocers Association, Ohio Assn. of Convenience Stores, Ohio Drugstore Association, The Farmers Union, the Labor/Management Coalition, The Ohio Farm Bureau, Anheiser/Busch, Inc., the Illinois Trucker Stop Association, the Tennessee Petroleum Marketers Association, San Diego Co. Hispanic Chamber of Commerce, and the American-Phillipino Chamber of Commerce.
- **Media** --Smokers' rights advocates have been interviewed by or had articles run in the following media: Channel 12 - Lincoln, NE; Kansas City Star; Indianapolis Star/Ft. Wayne paper, WCRO Radio - Johnstown, PA; WCBS; WOR (New York), WNTR; WHWH (New Jersey) and the Associated Press. The AP interviewed NJ activist Bill Lear about his plea to Sen. Bill Bradley, asking for a "fat tax" on fast food in lieu of the \$1 per pack tax Bradley advocates for cigarettes.

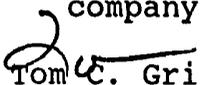
#### State Activities

- **Maine:** The restaurant smoking ban bill before the Maine House is likely to be voted upon early next week. PI is inundating the House with direct connect telephone calls. SR groups are activated.
- **Michigan:** Rumors persist that a huge state cigarette excise tax will be introduced imminently. The antis want to obtain increased state revenue before the federal FET is raised and cigarette sales drop. Reports indicate that Gov. John Engler (R-MI) is saying he will sign such a bill.
- **Illinois:** PI is developing response vehicles for a pending 70 cent per pack cigarette tax being brought to the House floor by the Majority Leader. The session has one week before adjournment.
- **Monroe County, NY:** PI is initiating phone bank and letter writing activities in Monroe County (Rochester), NY to oppose the public smoking ban ordinance. FC Elizabeth Gallagher, at the direction of TI, is recruiting people to testify at the 6/1 hearing.
- **Wake County, NC:** A phased-in public smoking ban is coming before the Wake County Board of Commissioners in early June. We are coordinating opposition activities through the Tobacco Institute and Morning Team.

- Columbus/Chillicothe, OH: The Columbus Board of Health has indefinitely postponed a vote on the public smoking ban regulation under consideration. This was a major victory. A similar smoking ban is being introduced in Chillicothe County.
- Minnesota: The Minnesota legislature adjourned on May 17, with no further consideration given to 23-cent cigarette tax hike. Also defeated during the session was an attempt to earmark tobacco taxes for anti-tobacco media; an effort to impose local licensing fees on tobacco retailers; a self-service ban; ETS "warning" signs in restaurants, and more stringent workplace smoking limits. Archie Anderson, SRG leader in Minneapolis, delivered petitions to leadership and the conferees and asked for their vote against the tax. Our direct-connect phone bank was also given high marks by the lobbyists for its effectiveness.
- Oregon: H3066, which would have imposed smoking bans or severe restrictions in most public places and in private workplaces throughout Oregon, is dead.
- Florida: Governor Chiles continues to stump the state in an effort to drum up support for funding for a 25-cent cigarette tax to fund more prison beds. Under the direction of FC Ken Walton, smokers' rights activists are confronting Chiles at every stop he makes. At public meetings in Tampa and St. Petersburg and at a TV call-in talk show in Tampa, smokers showed up to oppose the tax hike. Their efforts resulted in positive stories in the Tampa Tribune and in the St. Petersburg Times. The big show down could come at a rally Chiles has planned in Orlando on Saturday, May 22, where we expect some 100 smokers' rights activists to stage an anti-tax rally that coincides with the Chiles event.

Central Communications Center

- Workplace Issues -- The Action Line received calls from partisans about workplace smoking issues concerning the following employers: U.S. Postal Service, Campbell Soup, U.S. Army, State of Wisconsin, and West Bend. In addition, the Action Line received a call from an employee of Holiday Inn of Phoenix-Tempe. They are taking several actions that are discriminatory against smokers. For the duration of 1993, Applicants who do not smoke will be given hiring preference over applicants who smoke. Effective January 1, 1994, the company will stop hiring smokers completely.

  
Tom C. Griscom

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