

DATE: May 21, 1994
 TO: Tom C. Griscom
 FROM: Tim Hyde
 SUBJECT: Public Issues Update May 16 - 20, 1994

FIELD PROGRAM

FEDERAL EXCISE TAX

Member Contacts

CRS Study -- United Smokers Association, based in Ridgefield, CT, mailed the executive summary from the recent Congressional Research Service report to every member of Congress this week. The mailing includes a cover letter from USA president Fred Phillis that makes the following points: 1) a tax hike cannot be justified based on the alleged "social costs" of smoking because smokers already pay their fair share; 2) the FET is a poor source of revenue to fund health care; 3) tax hikes are not an effective way to deter youth smoking, and 4) the EPA report on secondhand smoke is weak, at best. Phillis' letter says members could support a tax hike only if their real intention is to punish smokers and to further the goal of a total prohibition on smoking.

Oklahoma -- Coalition partner Ron Cross, President of Stephenson Wholesalers and Indian Nation Wholesalers, met with Rep. Bill Brewster (D - W&M) recently. Rep. Brewster said he would oppose any increase in FET to pay for health care. Cross, who is a major donor to Brewster, will meet with him again over Memorial Day and present Brewster with 16,000 signatures from his district against FET.

Texas -- RJR Sales Rep Jim Stuart of Abilene found himself seated next to Rep. Charles Stenholm on an airplane flight recently. Without identifying himself, he asked Rep. Stenholm about health care in general and cigarette taxes in particular. Stenholm responded that the Clinton plan was dead and the outcome on health care was uncertain. He said he would oppose tax increases to pay for health care, but could support up to a quarter increase in FET. He said that anything above 25 cents would be too high.

Tennessee -- It was reported earlier that TN SR leader Phil Pardue had delivered 13,000 signatures on petitions to Sen. Jim Sasser. Remarkably, Sen. Sasser's office key-punched all 13,000 names and sent each person an individual letter regarding tobacco taxes. Obviously, Sen Sasser's office is taking the tobacco issue seriously.

Rep. Jim Cooper held a low-dollar fund-raiser for his US Senate campaign in middle Tennessee. A few tobacco farmers approached him and asked his position on FET. Cooper responded that smoking was bad for people, and refused to state an unequivocal opposition to any FET increase. The farmers demanded their money back. Cooper said that wasn't possible. The farmers told Cooper that they never would have attended had they known of his weak support for tobacco, and they walked out.

Kentucky -- The Kentucky Association of Tobacco Supporters sent a "Tobacco Pledge" to the two candidates running in the special election to replace deceased Rep. William Natcher (D-KY). Both the Democrat and the Republican candidates signed the pledge, which says they will actively oppose any bill that contains any tobacco tax increase.

Kentucky SR leader Stan Arachikavitz set up a letter-writing booth at the annual Owensboro BBQ festival. 183 letters were generated to Sens. Ford and McConnell, and 700 signatures on petitions opposed to FET were gathered. Arachikavitz also met with Jack Summerville, the local district aide to Rep. Tom Barlow (D-KY). Summerville inquired about the economic impact of a tobacco tax on the district, and Stan agreed to forward the information to him.

Oregon -- Martin Mayfield reports that SR leaders had a personal meeting with Rep. Mike Kreidler (D-WA-9), a sponsor of the Clinton health care bill. Kreidler remains firmly behind the Clinton plan. Smokers and coalition partners are making calls to Sen. Bob Packwood (R-OR), a key member of the Senate Finance Committee.

South Carolina -- The South Carolina Association of Tobacco Supporters held their annual statewide meeting in Columbia last week. Fifty people attended and were updated on FET, OSHA, and a variety of other issues. Group leaders were elected from each of the state's six congressional districts and given responsibility for staying in touch with their congressman. At the event 35 letters were written to the state's congressional delegation on FET; 6 letters were written to OSHA; and 4 letters were written to Sen. Hollings asking that he demand a regional hearing in SC on the OSHA regulation because it was unreasonable to expect people to spend two weeks in Washington DC in mid-July waiting to testify.

New England -- Sen. John Kerry (D-MA) and Sen. Joe Lieberman (D-CT) sent surprisingly moderate letters regarding potential FET increases to partisans. They have been forwarded to RJR for review.

Coalition Activity

A coalition of Arizona groups held a press conference about federal health care reform in front of the AZ unemployment office on Wednesday. They announced a

drive to get all AZ candidates for federal office to sign a health care pledge that explicitly repudiates government-run health care, employer mandates, and excise taxes on all consumer products. The coalition includes the AZ Restaurant Association, AZ NFIB, 3 anti-tax groups, the Lincoln Caucus, Amigos (Assoc. of Miners), the local Assoc. of Physicians and Surgeons, the Assoc. of Electrical Engineers, Golden Rule Insurance Co, and the Retail Association. Pledges were sent by certified mail to all candidates for federal office. A thermometer accompanied each pledge with the statement "Have You Taken Arizona's Temperature on Health Care?" A radio talk show blitz is scheduled as the first wave of activity to follow up the press conference.

RJR Sales Rep. Patrick McAfee supplied anti-FET petitions to a number of retailers/chains in rural Western Oklahoma recently. To date 2306 petition signatures have been gathered. McAfee is working on a way to present these to newly-elected Rep. Frank Lucas (R-OK).

Yvonne Roberts and John Singleton, met with officials from the Maryland United Liquor Beverage Association to discuss the FET.

The leadership of the Maryland Urban Licensed Beverage Association will meet with Reps. Ben Cardin (D-MD-3) and Kweisi Mfume (D-MD-7) to announce their opposition to the FET.

Roberts and John Hoy continued meetings with the leadership of the CAL-PAC retailers association in Oakland. Their FET summit and news conference is scheduled for June 21.

MEDIA

SR leader Jackie Miller had a letter to the editor regarding the Clinton health care plan and FET printed in USA Today. She also had two LTEs printed in the St. Petersburg FL Times on the unfair treatment of smokers.

Fred Phillis, United Smokers Association, was interviewed by the following CT media regarding FET and the Waxman bill: WCCI-AM Bridgeport; WZBG-AM Litchfield; WLAD-AM Danbury; and the Connecticut Post newspaper.

Jim Carpenter, chairman of the Michigan Smokers' Rights Association, debated a state senator on the subject of smoking and taxation on WABJ radio in Adrian, MI.

Barb Matheny, newly elected vice-president of the Ohio Coalition for Smokers' Rights was interviewed about the Waxman bill on WAKZ in Cincinnati.

Carmen Fournier of the Michigan group participated on an one hour interview/call-in radio show on WSGW in Saginaw.

Activist John Zaborski appeared on a hour long call-in show in Detroit, on WQVH-TV.

Two Ohio partisans had LTEs published in the Portsmouth Daily Times and the Findlay Courier.

SR activist Joe Driscoll had a LTE on the FET printed in the Manchester (NH) Union Leader.

SR activists had three LTEs printed in the Meriden (CT) Record-Journal on FET.

Two LTEs by SR activists were printed in the Pittsfield (MA) Eagle Tribune. Both addressed the FET.

Florida SR President Sue Henderson handled radio interviews with two Tallahassee stations, and stations in Orlando, Ft. Lauderdale and Ft. Walton Beach on the passage of HR 3434 out of subcommittee.

Debbie Thetford, leader of "We The People" (the statewide SR group in TX), was interviewed by Ft. Worth talk radio mega-station WBAP-AM regarding HR 3434's passage out of subcommittee.

WAXMAN BILL

SR groups have released news statements opposing the Waxman indoor smoking ban bill in the following congressional districts: PA 8 - James Greenwood; PA 13 - Margorie Margolies-Mezvinsky; MI 6 - Fred Upton; OH 13 - Sherrod Brown, and TX-6 - Joe Barton.

OSHA

Letters to OSHA opposing their smoking ban proposal were sent from the following states: New York (2), Washington (18).

State and Local Issues

California -- AB 13, the state's total indoor smoking ban bill, was passed by the Senate Appropriations Committee and will be considered by the full Senate on May 26. John Hoy is coordinating grass roots efforts with SGR, RJR Sales, Corporate Affairs, SGR and the Morning Team. A heavy stream of mail and telephone calls has begun to all Senators.

In addition to AB 13, we are working on local ordinances in Napa, Hanford and Ft. Bragg, CA.

Plano, TX -- Smokers, restaurateurs, and retailers turned out en masse to oppose a proposed smoking ban here. Opponents of the ban dramatically outnumbered supporters. Local SR leaders were interviewed by the Plano Star-Courier, Channel 5 in Dallas, and a nearby radio station.

Suffolk County, NY -- Elizabeth Gallagher and the Morning Team continue to work this self-service display/restaurant smoking ban measure hard with coalition partners and direct connect telephone calls. A vote could come next week.

Philadelphia, PA -- A self-service display ban ordinance has been introduced before the city council. A hearing is scheduled for June 1. Elizabeth Gallagher and Yvonne Roberts are coordinating opposition activities with RJR Sales, SGR, industry representatives, the Morning Team and WKA.

Alaska -- The legislature adjourned for the year without passing an increase in the cigarette tax. Gov. Walter Hickel's original 14.5 cent tax hike budget proposal was defeated.

Indiana -- Indiana media have reported a bonanza in cross-border cigarette sales. Customers are flocking from Michigan to avoid the 50 cent-a-pack tax increase. In an effort to diminish the chances of a tobacco tax increase in Indiana next year, the Indiana SR group is mailing news clips regularly to candidates and elected officials to make sure they're aware of the situation.

Statewide SR Conventions

Ohio -- Bruce Hennes hosted 35 key SR leaders from throughout Ohio at the annual smokers' rights convention in Columbus. A new slate of leaders was elected and Lou Price of Mansfield is the new president.

New Hampshire -- Twenty-one leaders from six states met in NH last week and formed the New England Freedom Federation. State Rep. Bob Asselin of NH was elected President. Specific plans were drawn up to contact congressmen and senators about FET over the Memorial Day recess, and letter-writing campaigns on FET and OSHA were begun.

Indiana -- SR leaders held an informal statewide meeting last week. FET and OSHA were the specific topics covered, with each group taking responsibility for generating letters (OSHA) and personal contacts (FET) with their congressman.

Other

Greg Graves met with a doctor who has sued the White House in order to get access to documents that the Health Care Task Force evaluated and generated. The doctor told of a meeting with Mike Synar, who encouraged him to sue and to make Ira Magaziner's life miserable. Seems there's no fondness for Mr. Magaziner even among health care reform's staunchest advocates.

EAGLE ALLIANCE

AGRICULTURE/SUPPLIERS/SPORTS EAGLE TEAM:

Foley Visit to Eastern NC -- House Speaker Tom Foley visited eastern NC this past Saturday for a fund-raiser with District 1 Congresswoman Eva Clayton. Leaf buyer Ray Tuten and several area tobacco growers attended the function, and all spoke with Foley personally about the FET and other serious issues facing tobacco growers. Tuten reports that Foley pledged his support for tobacco, citing his former chairmanship of the House Agriculture Committee, and said that he was concerned about placing too much of a tax burden on one agricultural commodity. But Foley was later quoted in the news as saying he would support a tax increase on tobacco if it was 75 cents or less. Although Foley did not soften his stance on the 75-cent tax, he left NC with a clear understanding that tobacco growers (particularly Democrats) are very upset over Clinton administration proposals to drive the tobacco industry out of business.

Wisconsin Growers Association -- The president of the Wisconsin Leaf Tobacco Dealers and Growers Association (based in Rep. Scott Klug's district) issued a news release last Friday about HR3434 and its potential impact on tobacco interests in Wisconsin. In the release, the organization expressed grave concerns about Klug's subcommittee vote in favor of the measure.

Coalition MTS -- Conducted a very successful coalition media training seminar for 12 agricultural/supplier sector representatives in Winston-Salem on May 16-17. Attendees included Bob Williams, VP of marketing for G.D Package Machinery; Scott Pope, president of Bright Belt Warehouse Association; David Bryan, VP of the TN Fairness for Tobacco Farmers organization; Louis Smither, president of Missouri Council for Burley Tobacco; J.D. Jenkins, owner of Smokin' Joe's tobacco shops; and several key tobacco growers and tobacco warehousemen (and women) from TN, FL, GA, KY and NC.

TRADE EAGLE TEAM:

Gary Loser attended the American Wholesale Marketers Association Legislative Conference in Washington on Wednesday, May 11, 1994. This conference brought together 130 of the most active legislative members of the association

from around the nation to lobby their Congressmen and Senators on the proposed increase in federal excise taxes on tobacco and other issues affecting the wholesale tobacco and candy industry. The featured speakers were Senator Kay Bailey Hutchison (R-TX) and Congressman Ben Cardin(D-MD), with Tom Griscom as the lunch-time speaker on;" Speak Out for Freedom...Taking a Stand." Appropriate supporting collateral material was passed out to those in attendance.

Tim Hyde