

Tobacco Industry Labor Management Committee National Strategy

Indoor Air Quality

At the national level, the Labor Management Committee will continue to be involved with federal legislative and regulatory activities on indoor air quality, environmental tobacco smoke and workplace smoking issues. The Committee will work with the AFL-CIO and its affiliates, primarily BC&T, the Machinists and the Sheet Metal Workers, to ensure that the AFL-CIO supports the position of the Committee on any related federal activity. The primary concern of the Committee will continue to be to ensure that workplace smoking policy is placed under the jurisdiction of the Occupational Safety and Health Administration (OSHA) and not the Environmental Protection Agency (EPA). And, in addition, that OSHA promulgate a broad IAQ standard, not an ETS standard. The Sheet Metal Workers, along with the National Energy Management Institute, will be active in meeting with OSHA officials to promote this point of view.

The National Energy Management Institute, with their expertise on ventilation issues, is a key element of the Committee's strategy and can act as a catalyst to make things happen on these issues. The BC&T is willing to testify and participate, but their credibility on tobacco issues is not sufficient to singularly move the labor movement to take positions on workplace smoking issues. Always troublesome are public employee unions and continuous work is needed with these affiliates to emphasize the collective bargaining aspect of smoking restriction issues.

National Energy Management Institute - \$500,000

The Labor Management Committee's primary voice in the workplace smoking/indoor air quality debate is the National Energy Management Institute (NEMI), a valuable and respected resource on matters relating to indoor workplace air quality and ventilation. NEMI is a national, non-profit corporation sponsored by the Sheet Metal and Air Conditioning Contractors National Association (SMACNA) and its jointly administered National Training Fund.

NEMI serves as an important third-party spokesperson on ventilation issues. Its national and regional staff are frequently called upon to give or submit testimony on legislation at federal, state and local hearings. Its primary role in Committee strategy is to advance improved ventilation as an alternative to smoking bans and to pro-actively demonstrate how proper ventilation can accommodate smokers and non-smokers.

The budget figure allotted would cover NEMI's cost for payments to special consultants who work on OSHA testimony, serve as liaisons to OSHA and participate in AFL-CIO meetings on indoor air quality/workplace smoking issues. These consultants include Jim Golden, retired health and safety director for the Sheet Metal Workers Association, and health and safety experts and NEMI

veterans Frank Powell and Rich Gross. Additionally, it supports the IAQ division of the NEMI staff which promotes a broad view of IAQ and ventilation standards as a preferred solution to smoking restrictions.

Consumer Excise Taxes

The Labor Management Committee will continue to be active in organized opposition to increases in the federal excise tax, specifically to the proposed 75 cent increase to fund health care reform. On this issue, the Committee speaks not only as a labor management committee but also, and more importantly, supports the credible voices of third party allies.

With the Congressional activity on health care intensifying over the coming months and the fate of the proposed tobacco tax increase still to be determined, continued activity by the Committee and third party allies is critical to our legislative success. Activities in a campaign must include:

- national and local media events
- testimony before key congressional committees
- written contacts and visits to Members of Congress
- supporting reports on health care financing by credible tax and budget experts

Groups which support the Committee's efforts on these critical issues include:

Citizens for Tax Justice (CTJ) - \$108,000

A liberal think-tank, CTJ is one of the most respected national authorities on progressive tax reform. CTJ will continue to serve as an expert on health care financing, particularly the problems with financing reform through regressive taxes. CTJ produces tax studies and provides testimony for Congressional hearings.

Citizen Action - \$100,000

Citizen Action is a progressive organization with a national network of three million members who are active on progressive economic issues. Citizen Action is a well-respected political force among the White House and liberal Democratic members of Congress. Because of its strong political ties, Citizen Action will continue to be a leader in the progressive financing of health care as well as an important player in the politics of "single payer" health care reform.

Economic Policy Institute (EPI) - \$60,000

EPI is a liberal, economic think-tank which is highly visible in Washington and heavily supported by organized labor. They are a key player on economic issues, helping to frame the macroeconomic case for a progressive tax system and continue to be a player in the health care debate.

AFL-CIO Support Groups

The AFL-CIO has five support groups representing different segments of the membership of the national federation--women, African-Americans, Hispanics, senior citizens and youth. The Labor Management Committee has consistently supported four of the five groups as they advocate the AFL-CIO's support for progressive taxation and the progressive financing of health care. These groups are very significant because their membership is made up of individuals from the various AFL-CIO affiliates which strengthens Committee ties with the labor movement.

These groups include:

National Council of Senior Citizens (NCSC) - \$75,000

An organization which represents over five million senior citizens through 5,000 affiliated clubs and state councils and serves as the progressive counterweight to the American Association of Retired People (AARP). Well-known on Capitol Hill, NCSC will continue to play an important role as an advocate for the progressive financing of health care.

Coalition of Labor Union Women (CLUW) - \$15,000

The nation's only organization of trade union women, CLUW has 20,000 members from 75 affiliated chapters and represents 7.5 million women in unions from diverse geographic, industrial and occupational backgrounds. CLUW will continue to be a strong advocate for progressively-financed health care reform.

A. Philip Randolph Institute (APRI) - \$15,000

An organization of African-American trade unionists established in 1965 by the late civil rights and labor leaders, A. Philip Randolph and Bayard Rustin. APRI has over 150 chapters nationwide and represents two million people. APRI will continue to be a strong voice for progressive financing and against the financing of health care reform through increased tobacco taxes.

Labor Coalition for Latin American Advancement (LCLAA) - \$15,000

The Hispanic support group of the AFL-CIO, LCLAA has 1.4 million members and will continue to be an important voice against consumer excise taxes and for the progressive financing of health care reform.

Tobacco Industry Labor Management Committee State Program

Over the past few years, the Committee has employed state labor consultants to cover most of the United States with a focus on key battleground states. These consultants deal at the "nitty-gritty" level with excise tax and indoor air quality/smoking restriction issues as they arise in their respective regions by building alliances with the labor and progressive communities. Currently, about 80% of the population is covered by an LMC consultant, with the exception of states where organized labor does not have much of a presence.

This proposal represents an explicit retreat from that kind of activity. In order to most efficiently expend scarce resources and maintain some ability to deal with problems as they arise at the state level, the Labor Management Committee should retain the services of a handful of individuals with access to labor and progressive groups in a large number of states around the country.

State excise tax battles are a constant and continuing threat to the industry. As legislators continue to attempt to use cigarette excise tax increases to fund state revenue shortfalls and earmarked special projects, a new threat grows in the area of health care. As the states conform to federal mandates under proposed national health care reform, the prominence of excise taxes as a funding mechanism will increase. Some states are preempting federal activity by implementing health care plans for which new revenue is needed and tobacco is always a likely target.

A wide range of state OSHA issues are emerging as a result of environmental tobacco smoke and indoor air quality activity at the federal level. As these issues move along at the federal level, there is corresponding regulatory and legislative activity in the states. Frustrated by their inability to get state legislatures to ban smoking in the workplace, anti-tobacco groups have targeted Occupational Safety & Health authorities in the 20+ states where Federal OSHA has devolved regulatory responsibility. The anti's are seeking an ETS ban which will set a precedent for federal OSHA.

As always, there is the constant array of smoking restrictions at the state and local level which must be addressed. Activity on these issues by NEMI, the Sheet Metal Workers, BC&T and other allies in the states needs to be a coordinated LMC effort.

Because of budgetary restraints, these issues cannot be handled as in the past. We recommend that a SWAT team approach be implemented by the Committee. This approach would use a team of three national coordinators to go into priority areas and build potential alliances that can be useful when needed to deal with problems that arise.

While this SWAT team approach will not be as effective in the trench warfare at the state level, it offers us a mechanism to maintain a presence in the states and influence federal action.

These coordinators would include:

- Harry Kaiser \$160,000

Harry Kaiser is closely associated with the labor movement in the Midwest and serves as the Committee's Midwest Coordinator. Through his close labor ties, he can additionally serve as the Committee's liaison to state labor federations.

- Bill Holayter \$ 40,000

Bill Holayter is the retired legislative and political director of the international Machinists union. He has extensive ties with the labor movement which would allow him to serve as the Western Coordinator on a part-time basis.

- The Strategy Group \$180,000

The Strategy Group has existing alliances with state progressive groups, fair tax groups and the Citizen Action network across the country. They can serve as a national liaison with these groups on behalf of the Committee.

Tobacco Industry Labor Management Committee Infrastructure

Savarese and Associates

Jim Savarese \$175,000

Jim Savarese serves as Executive Director of the Labor Management Committee. Jim oversees the entire Labor Management Committee program and is ultimately responsible for all Committee activities. Working in conjunction with labor and management

representatives on the Committee. Jim's responsibilities include determination of the Committee's goals and development of strategy to attain these goals. This includes working with industry and the unions to identify problems which impact the industry at the local, state and national level and directing the implementation of a plan involving LMC consultants and coalition groups to most effectively address these problems. He is the primary liaison to the unions on the Committee, particularly the BC&T, and is key to activating the Committee's member unions on important issues. He is also the Committee's link with the Citizens for Tax Justice and with the public sector unions, which can sometimes be problematic for the industry on tax issues. Working with the Steering Committee, Jim is responsible for developing the Committee budget and overseeing expenditures.

Leslie Dawson

\$125,000

Leslie Dawson serves as the Administrator of the Committee. She is the day-to-day manager in charge of implementing Committee decisions. She serves as the initial contact point for all Committee business, including delegation of assignments to Committee consultants, direction of these consultants and coordination of activities undertaken by LMC coalition groups to further the goals of the Committee. She assumes responsibility for and coordinates regular Committee meetings, as well as special legislative meetings involving Committee members, consultants and allies. She is responsible for maintaining Committee records and communicating with the Committee member unions on a regular basis. This includes communication with the Committee chairman and BC&T leadership about their needs and their activities on behalf of the Committee, as well as communication of legislative priorities from industry representatives. Leslie has strong ties with the labor movement, particularly the industrial unions, and is able to use these ties to build labor support for Committee issues.

Wunder, Diefenderfer, Ryan, Cannon and Thelen - \$192,000

Michael Forscey serves as Counsel to the LMC and, in that role, is assisted by an associate and paralegal. Increased activity by the Committee in 1994 will require substantial additional legal and compliance activity. Mike also serves as chief strategist and lobbyist on IAQ legislation generally and on proposed IAQ regulatory action by the Occupational Safety and Health Administration.

The Jarvis Company - \$150,000

John Jarvis serves as the Committee's federal lobbyist and coordinates Committee efforts with the BC&T. He also serves as the Committee's liaison to the AFL-CIO.

Ogilvy Adams & Rinehart - \$420,000

Ogilvy Adams & Rinehart (OA&R) has been a critical component of the Labor Management Committee in both the areas of consumer excise taxes and indoor air quality since its inception. OA&R has not only provided "hands on support" but also has been instrumental in the development of trusted working relationships with the Committee's third party allies.

While we are cognizant that this proposal must reflect different circumstances, the role of OA&R in the day-to-day operation of the LMC, particularly support for its labor committee members and third party allies, is crucial to implementing our agenda for health care financing and indoor air quality standards. At a minimum, however, OA&R's role in implementing the agenda of the LMC should include providing the following assistance to labor members of the LMC as well as its third party allies on their request:

- Drafting testimony to be delivered at upcoming Congressional committees on the financing of health care reform.
- Drafting necessary documents to support campaign for OSHA jurisdiction over IAQ.
- Drafting testimony on IAQ standards for state and local legislatures.
- Organizing national and local media events, including press conferences, rallies and placing opinion-editorials.
- Serving as a resource and as an advocate on health care financing and IAQ issues.
- Providing technical assistance to groups requesting advice on fighting state and local smoking bans, especially local unions on the front line opposing draconian workplace smoking restrictions.

Members of the OA&R team who work for the LMC include:

Jane Danowitz - Vice President - \$90,000

Former executive director of the bipartisan Women's Campaign Fund, labor liaison for the Mayor of the District of Columbia and staff counsel for the American Federation of Government Employees, Danowitz manages and is responsible for all facets of OA&R's work on behalf of the LMC.

Thomas Donahue, III - Director of Labor Services - \$120,000

A former member of the staff of Senator Edward M. Kennedy, Donahue serves as a vital link to AFL-CIO state presidents in the northeast as well as serving as a senior labor strategist on both consumer excise tax and IAQ issues.

Eric Shulman - Vice President - \$120,000

Former legislative director for the National Council of Senior Citizens, Shulman has a solid background in health care financing and strong ties with the labor and progressive groups including Citizen Action and senior groups. Shulman is responsible for implementation of LMC strategies advocating the fair financing of health care and progressive taxation.

James Carey - Vice President - \$90,000

Former political director of the Democratic National Committee and Ohio Democratic Party, Carey has extensive experience with IAQ issues at the federal, state and local levels. In addition to serving as resource on IAQ issues, he is responsible for LMC support on behalf of NEMI.

Labor Management Committee Administrative Costs

Labor and Committee Meetings - \$75,000

Regular meetings of the Labor Management Committee are held twice a year, usually in Washington. This is the opportunity to bring together labor, management and progressive allies to discuss issues facing the industry and programs to address these issues. Regular committee business is conducted at these meetings.

In the past, the Labor Management Committee has sponsored an annual legislative conference which has brought together Committee members, union representatives and key labor lobbyists to discuss the upcoming year's strategy. The cost of this conference would usually run around \$80,000.

Budget constraints have eliminated this meeting, unless other resources are found. In lieu of this large meeting, we recommend a series of smaller, regional meetings to discuss legislative strategy throughout the year. Attendees would include state and national consultants, key labor and liberal allies and company representatives.

Another necessary and vital part of the Committee is attendance by Committee representatives of meetings of labor unions, state federations of labor, the national AFL-CIO and progressive groups. This gives our representatives an opportunity to put Committee issues before large groups and build support for these

issues. Next year, two committee unions--the BC&T and the Sheet Metal Workers--will be holding conventions and it will be essential that the LMC be represented at these conventions. The AFL-CIO Executive Council meets every year in February in Florida. This is a very important opportunity for coalition building with key union legislative and political directors and officers of international unions.

Work-Related Travel - \$65,000

Normal travel expenses incurred in conducting business will be increased with the reduction in the number of state consultants. Each regional coordinator would be covering more territory to successfully perform their job.

Also included in this category would be the expenses incurred by Washington consultants for travel to help to cover necessary assignments in the states. This would include tax and IAQ presentations and attending labor meetings.

Administrative Overhead - \$96,000

The administrative overhead for the Committee including rent, office expenses and support staff runs \$8,000 per month.

Optional State Program - \$150,000

While the above-mentioned SWAT team approach gives the Committee a presence in the states and an ability to "put out fires," it does not allow the Committee to deal in depth with a number of state specific problems.

The SWAT team approach, using regional coordinators, would not include "hands-on" lobbying or day-to-day management of legislative crises. The regional coordinators do not have the close personal relationships with state labor leaders or the in-depth political knowledge of each state which is often necessary to influence legislation.

In order to have a state program that permits ongoing activity in key states, a critical minimum number of people must be retained at reduced rates. Their scope of work would be correspondingly reduced.

These consultants would allow the Committee to interface with Committee unions, including the BC&T, the Sheet Metal Workers and the Machinists, and allied groups, including Citizen Action, Citizens for Tax Justice and NEMI, in the states. The Committee would continue to have a strong labor presence through the state consultants, whose activities would be overseen by the three regional national coordinators.