

March 31, 1989

MEMORANDUM

To: Ogilvy & Mather
Savarese & Associates

From: Susan M. Stuntz *SM*

A week ago you posed some reasonable questions as to how the LMC consultants move forward on the indoor air quality issue. We all agreed, I think, that the outcome in Massachusetts would go a long way toward resolving some of the concerns you expressed.

From the industry's perspective, I believe we will, very soon, have most of the answers you seek. Those answers are useless, however, given the current position of the Sheet Metal Workers Union and/or NEMI on this issue and on legislation. That is a matter I expect the LMC representatives to resolve as quickly as possible.

By way of background, the Mass. AFL-CIO, spurred on by the Sheet Metal locals there, who in turn were spurred on by Jim Golden, who persuaded all that IAQ legislation represented hundreds of jobs for their members, have placed this legislation at the top of their legislative agenda. To the locals, that means that they want to expend some energy and capital to get the thing passed.

Incidentally, the Sheet Metal locals also see an opportunity to get some payback on the dollars their members have been paying into NEMI for all these many years.

Unfortunately, Jim Golden has a different view. When the locals asked the international for lobbying support and a NEMI presence in Mass., he turned them down flat unless TI could foot the bill (somewhere between \$35,000-\$75,000).

TI, when queried directly by Golden (calling from Las Vegas), responded that it will not do so. The prospect of similar requests coming from 50 states was one factor; the larger one was advice from the New England field that the Sheet Metal locals didn't want TI footing

TI17682765

Memorandum to O&M, Savarese
March 31, 1989
Page Two

the bill -- they expect support from the international on this one. And, although Golden had the answer from TI very quickly, he held off responding to the locals for several days, claiming that TI was not being responsive to him.

With that as background, here's the situation:

This industry has been patient with the Sheet Metal Workers and with NEMI long enough. For more than two years now we have funded a "grant program" to enable NEMI to produce training documents to train qualified contractors on IAQ issues. Those documents, which were to have been completed in 1987 under the terms of the original grant, still have not been finished.

[Meanwhile, Mike Forscey has managed in one hour to reach agreement within the AFL-CIO that source control is not the way to go.]

To date, we've spent substantial sums of money in Beverly Hills (NEMI's costs were instrumental in allowing the restaurant association to persuade the city council that ventilation solutions were too expensive), and we've funded an engineer, a secretary and a newsletter. In return, we've received occasional testimony and letters. All helpful, but hardly of the magnitude we anticipated when we approved the original grant. And hardly a reasonable return for the substantial sums invested.

Frank Powell and his secretary are funded through June. That funding stops at that point unless the NEMI materials -- workbook, training manual and video -- are completed in a form that is satisfactory to us (that is, no mention of source control).

On the question of continuation of the grant (an issue Golden knows is on hold until these materials are completed), NEMI is free to submit a menu of options -- some support to lobby IAQ bills may be part of that request. But we will only entertain requests on a project by project basis, with clearly defined -- and short -- timelines.

Also halted as of now is all support for the various extracurricular projects of the Sheet Metal Workers union. That includes receptions in Las Vegas, raffle

TI17682766

Memorandum to O&M, Savarese
March 31, 1989
Page Two

tickets to the Florence Carlough scholarship fund, celebrations of their 101st anniversary, and anything else they might come up with.

Golden has called into question in the minds of the Massachusetts local any commitment the union might have to IAQ. After he told them this was a top issue; after he said it would mean jobs for their members; after he pledged the support of the international -- he has refused to provide any backing, leaving the local guys with the impression that the only leg they have to stand on is tobacco's. That doesn't help Joe Joyce; it doesn't help Marty Foley; it doesn't help Arthur Osborne.

Until and unless we have a clearer commitment from this union, I would suggest that we call a halt to any and all labor presentations that rely in any way on a NEMI presence, or Sheet Metal Workers locals to carry the ball forward. I have run out of patience with this group, and I don't appreciate veiled threats to withdraw from the LMC unless we ante up another \$30,000 or so.

When and if you arrive at a resolution, John Lyons, Marty Gleason and I will be glad to sit down and listen to the proposal. Until then, the ball's in your court.

cc: Marty Gleason
John Lyons

TI17682767