

SMOKING IN THE WORKPLACE

PETER G. SPARBER

① GOOD MORNING.

THE VOLUNTARY RESTRICTION OF SMOKING...BY BUSINESSES, ASSOCIATIONS, PUBLIC AGENCIES AND EVEN LABOR UNIONS...IS ONE OF THE MOST DAMAGING...AND MOST INSIDIOUS...CHALLENGES WE FACE.

OVER THE PAST SEVERAL MONTHS, YOUR COMPANIES HAVE RECEIVED DETAILED ANALYSES OF THE PROBLEM...AN ASSESSMENT OF OUR POLICY IN THIS AREA...UPDATES ON SPECIFIC INCIDENTS...AND A PROPOSED PROGRAM.

A STAFF TASK FORCE HEADED BY KATHERINE BECKER IS WORKING THE ISSUE. [WE HAVE DISCUSSED THE MATTER WITH THE COMMITTEE OF COUNSEL...AS WELL AS OTHERS FROM WITHIN YOUR COMPANIES AND THE INDUSTRY...WE HAVE WORKED CLOSELY WITH ATTORNEYS FROM SHOOK, HARDY; COVINGTON & BURLING; AND JACOB, MEDINGER & FINNIGAN...AND WITH THE PUBLIC RELATIONS AGENCY OF OGILVY & MATHER.]

② THE PURPOSE OF MY PRESENTATION THIS MORNING IS TO PROVIDE A REVIEW OF WHAT HAS BEEN DISCUSSED TO THIS POINT...TO ANSWER YOUR QUESTIONS... BENEFIT FROM YOUR COMMENTS...AND TO SECURE YOUR APPROVAL TO PROCEED.

BY WAY OF BACKGROUND, IT IS NECESSARY TO LOOK AT THE OVERALL MATTER OF PUBLIC SMOKING RESTRICTIONS. THERE ARE THREE BROAD CATEGORIES:

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③ THE FIRST IS LEGISLATION. OVER THE PAST DOZEN OR SO YEARS, WE HAVE FACED MORE THAN 1,000 PUBLIC SMOKING BILLS AND HAVE DEFEATED MORE THAN 90 PERCENT OF THEM. THOSE WE HAVE DEFEATED...ARE TYPICALLY REINTRODUCED YEAR AFTER YEAR, OFTEN REDRAFTED TO ACCOMMODATE LEGISLATORS' OBJECTIONS.

BY AND LARGE, THESE BILLS HAVE ATTEMPTED TO RESTRICT SMOKING IN PUBLIC PLACES. BUT, AS WE HAVE ALREADY SEEN IN SAN FRANCISCO AND CONNECTICUT...THERE IS AN INCREASING INTEREST IN RESTRICTING SMOKING IN THE WORKPLACE.

THE INSTITUTE...AS A MATTER OF POLICY AND PRACTICE...IS ORGANIZED TO AGGRESSIVELY OPPOSE LEGISLATION OF THIS SORT.

④ THE SECOND CATEGORY IS LITIGATION. COMPARED TO LEGISLATION...RELATIVELY LITTLE HAS OCCURRED HERE.

WHILE THERE IS NO CONCLUSIVE PATTERN OF LAW, THE COURTS HAVE ADDRESSED THE ISSUE IN FOUR WAYS:

1. THE COURTS HAVE CONSISTENTLY MAINTAINED THAT THERE IS NO CONSTITUTIONAL RIGHT TO A SMOKE-FREE ENVIRONMENT.
2. THERE HAS BEEN STATE COMMON LAW PROTECTION FROM UNREASONABLE EXPOSURE TO TOBACCO SMOKE.

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3. THE COURTS HAVE SAID THAT AN ORGANIZATION HAS THE RIGHT TO IMPOSE RESTRICTIONS ON ITSELF...BUT
  
4. THE COURTS HAVE ALSO SIDED WITH UNIONS WHICH FEEL THAT SMOKING RESTRICTIONS ARE A MATTER FOR COLLECTIVE BARGAINING.

BECAUSE OF THE SPORADIC NATURE OF THE LITIGATION, THE INSTITUTE'S ACTIONS HERE HAVE BEEN AD HOC.

⑤ THE THIRD CATEGORY IS THE VOLUNTARY RESTRICTION OF SMOKING BY ORGANIZATIONS. THERE APPEAR TO BE THREE KINDS:

1. RESTRICTIONS ON EMPLOYEES.
  
2. RESTRICTIONS ON CUSTOMERS.
  
3. MARKETING PRACTICES, SUCH AS NONSMOKERS DISCOUNTS, WHICH EXPLOIT ANTI-SMOKER FEELINGS.

OF THE THREE...RESTRICTIONS ON EMPLOYEES ARE...BY FAR...THE MOST DAMAGING, UNFAIR AND ILLOGICAL.

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A SMOKER...SPENDING EIGHT HOURS A DAY AT HIS OR HER JOB...SHOULD NOT BE FORCED INTO CHOOSING BETWEEN CIGARETTES AND EMPLOYMENT. BUT THAT IS PRECISELY THE CHOICE A SMOKER IS GIVEN...WHEN SUBJECTED TO THE CONSTANT PRESSURE OF ANTI-SMOKING CAMPAIGNS, SEPARATE SECTIONS, EMPLOYMENT PRACTICES AND ALL OF THE OTHER TECHNIQUES WHICH REDUCE SMOKERS TO SECOND CLASS CITIZENS.

WE DO NOT KNOW HOW WIDESPREAD THESE PRACTICES HAVE BECOME. BUT, WE DO KNOW THAT WITH THE HELP OF ANTI-SMOKERS, THEY ARE GROWING.

AS AN INDUSTRY, WE HAVE DONE LITTLE MORE THAN RESPOND TO REQUESTS FOR INFORMATION ON THE SUBJECT. AS A RESULT, WE HAVE HAD LITTLE INFLUENCE.

THAT IS BECAUSE, IN THE AREA OF PUBLIC SMOKING RESTRICTIONS...THE BULK OF THE CHALLENGE AND OUR EXPERIENCE HAS BEEN LEGISLATIVE. THAT BEING THE CASE, OUR POLICIES, PRACTICES...AND ORGANIZATION...HAVE BEEN FORMED ACCORDINGLY.

NOW THAT WE ARE INCREASINGLY FACING VOLUNTARY RESTRICTIONS...ARE OUR POLICIES AND PRACTICES STILL APPROPRIATE?

⑥ WE LOOKED AT <sup>MANY</sup> ~~SEVERAL~~ RELATED QUESTIONS...INCLUDING:

HOW DID THE ISSUE ORIGINATE? HOW DID IT EVOLVE?

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WHO ADVOCATES WORKPLACE RESTRICTIONS? WHY? WHO ARE THEIR FOLLOWERS?  
WHAT ARGUMENTS DO THEY MAKE? WHAT RESEARCH DO THEY USE TO SUPPORT  
THEIR ARGUMENTS? WHAT MEDIA DO THEY USE TO COMMUNICATE? WHO DO THEY  
COMMUNICATE WITH? WHAT EFFECT HAVE THEY HAD? HOW HAVE THEY PAID FOR  
IT ALL?

ARE THERE NEUTRAL PARTIES? WHAT IS THE EXTENT OF THE PUBLIC AWARENESS  
OF THE ISSUE...OR ANY PARTS OF THE ISSUE? TO WHAT DEGREE DOES THE  
PUBLIC SUPPORT EITHER SIDE? HOW ~~WAS~~ THAT CHANGED? ARE THERE OTHER  
FACTORS WHICH HAVE LEAD TO THE CHANGE?

HAS THERE BEEN ANY EFFECT ON SMOKERS? DO SMOKERS AGREE...DISAGREE...  
OR APPEAR DISINTERESTED...WITH THE ISSUE OR OUR POSITION? HAVE  
SMOKERS REACTED TO SPECIFIC INCIDENTS OF HARASSMENT...OR  
DISCRIMINATION?

DO WE...AS AN INDUSTRY...OPPOSE ALL RESTRICTIONS? WE HAVE OPPOSED  
PUBLIC SMOKING LAWS...BY ARGUING THAT SUCH MATTERS SHOULD BE  
VOLUNTARY. NOW THAT THEY ARE INCREASINGLY VOLUNTARY...WHAT DO ~~WE~~ WE  
THINK?

ARE WE WILLING TO ACCEPT LESSER RESTRICTIONS TO AVOID HARSHER? <sup>ONE</sup> WHAT  
IS OUR CAPACITY TO INFLUENCE OTHER ORGANIZATIONS? WHAT IS POSSIBLE?  
WHAT IS APPROPRIATE? WHAT ARE OUR EXPECTATIONS OF SUCCESS?

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GIVEN THE SCOPE OF THIS CHALLENGE...ARE WE WILLING TO ADD OR SHIFT RESOURCES TO GET THE JOB DONE?

- ⑦ THERE ARE OTHER QUESTIONS WE CONSIDERED...RATHER THAN COVERING ALL OF THEM, WE RECOMMEND THE FOLLOWING POLICY TO YOU.
- ⑧ I. THAT THE INSTITUTE CONTINUE TO AGGRESSIVELY OPPOSE ALL LEGISLATIVE ATTEMPTS TO UNNECESSARILY RESTRICT SMOKING.
- ⑨ II. THAT THE INSTITUTE LIMIT ITS ACTIVE PARTICIPATION IN LITIGATION TO THOSE CASES WHERE LABOR UNIONS CHALLENGE THE RIGHT OF MANAGEMENT TO UNILATERALLY IMPOSE SMOKING RESTRICTIONS; AND IN COMPLAINTS BASED ON A PURPORTED CONSTITUTIONAL RIGHT TO A SMOKE FREE ENVIRONMENT. LITIGATION OPPORTUNITIES NOT ANTICIPATED BY OUR ANALYSIS SHOULD BE CONSIDERED ON AN AD HOC BASIS. WE MUST AVOID UNNECESSARY LEGAL PROMINENCE OR PUBLIC VISIBILITY OF POTENTIALLY NEGATIVE DECISIONS.
- ⑩ III. THAT THE INSTITUTE ACTIVELY ATTEMPT TO INFLUENCE DECISION MAKERS.
- A. THAT WE CONCENTRATE OUR EFFORTS ON THE HIGHEST POTENTIAL SITUATIONS.

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B. THAT WE SEEK TO PREVENT ALL UNNECESSARY RESTRICTIONS BUT BE PREPARED TO NEGOTIATE RATHER THAN TO CONCEDE OPPORTUNITIES.

SEVERAL MONTHS AGO, A PROPOSAL WAS DISTRIBUTED OUTLINING STRATEGIES WHICH MIGHT BE USED TO OPPOSE WORKPLACE RESTRICTIONS.

SINCE THAT WAS DISTRIBUTED...A GOOD DEAL MORE HAS BEEN LEARNED.

⑪ THIS MORNING...WE ARE PREPARED TO OUTLINE A PROGRAM TO DEAL AGGRESSIVELY...AND EFFICIENTLY...WITH THE VOLUNTARY RESTRICTION OF SMOKING BY BUSINESSES...LABOR UNIONS...PUBLIC AGENCIES...AND OTHER PRIVATE ORGANIZATIONS.

OUR OBJECTIVE...SIMPLY ENOUGH...IS TO DISCOURAGE WORKPLACE DECISION-MAKERS FROM DISCRIMINATING AGAINST SMOKERS.

⑫ BEFORE WE <sup>DECIDE</sup> ~~IMPLEMENT~~ THE PROGRAM I AM ABOUT TO PRESENT...WE NEED TO KNOW MORE ABOUT HOW SMOKING RESTRICTIONS ARE IMPLEMENTED.

COMMON SENSE WOULD INDICATE THAT PERSONNEL DIRECTORS AND COMPANY SURGEONS MAKE THE DECISION. OUR SURVEY OF COMPANIES WITH RESTRICTIONS SHOWS...FAR MORE TYPICALLY...THAT RESTRICTIONS ARE IMPOSED AT A FAIRLY LOW LEVEL...FOR EXAMPLE, BY A SUPERVISOR OF A SMALL DEPARTMENT...OR THE MANAGER OF A BRANCH OFFICE.

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WE BELIEVE THAT OUR BASIC STRATEGY MUST BE TO DISCOURAGE DECISION-MAKERS FROM MAKING HASTY, UNINFORMED DECISIONS AT A LOW LEVEL...THAT WE SHOULD URGE THEM TO CONSIDER...IN DETAIL...ALL OF THE RAMIFICATIONS OF SMOKING RESTRICTIONS.

WE HAVE A FAIRLY GOOD IDEA HOW TO DO THIS... BUT WOULD BENEFIT FROM KNOWING A GOOD DEAL MORE ABOUT HOW ORGANIZATIONS INTRODUCE... STUDY...IMPLEMENT...AND ENFORCE SMOKING RESTRICTIONS.

IN APPENDIX A OF THE BOOKLET BEFORE YOU...IS A PROPOSAL FROM TOUCHE-ROSS...TO STUDY TWO ORGANIZATIONS WITH SMOKING RESTRICTIONS ALREADY IN PLACE. OBVIOUSLY...WE WILL NOT BE ABLE TO GENERALIZE FROM A STUDY OF JUST TWO ORGANIZATIONS...BUT WE BELIEVE THAT A GOOD DETAILED EXAMINATION...OF THE SORT PROPOSED HERE...WILL BE QUITE HELPFUL. THE COST OF THE STUDY WILL BE ABOUT \$50,000. WE WOULD LIKE TO PROCEED WITH IT IMMEDIATELY...SO THAT IT IS AVAILABLE LATER THIS FALL...JUST AS THE OTHER ELEMENTS OF THE PROGRAM COME ON STREAM.

THE PROGRAM ITSELF HAS BEEN DESIGNED TO COMMUNICATE AGGRESSIVELY... DIRECTLY...AND IN TECHNICALLY-COMPETENT WAYS...WITH THE PEOPLE WHO CONTRIBUTE TO...AND MAKE...MAJOR DECISIONS IN BUSINESSES...PUBLIC AGENCIES...UNIONS...AND OTHER ORGANIZATIONS.

WE FIND OURSELVES IN A SITUATION WHERE SOME OF OUR EFFORTS WILL BE DEFENSIVE IN NATURE. HOWEVER...MOST OF THE PROGRAM IS DESIGNED TO SIEZE AND MAINTAIN THE INITIATIVE.

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(13) LET ME BEGIN WITH THE DEFENSIVE ELEMENTS...

AS I MENTIONED EARLIER...OUR ADVERSARIES HAVE BEEN ACTIVE IN THIS AREA FOR SOME TIME.

THE MOST OUTSPOKEN HAS BEEN AN ACCOUNTING PROFESSOR FROM THE UNIVERSITY OF SEATTLE BY THE NAME OF WILLIAM WEIS. AS YOU PROBABLY KNOW, WEIS CLAIMS THAT SMOKERS COST THEIR EMPLOYERS MORE THAN DO NON-SMOKERS. HE HAS RECEIVED A FAIR AMOUNT OF SYMPATHETIC COVERAGE IN THE BUSINESS MEDIA...AND A LIMITED AMOUNT OF PUBLIC EXPOSURE ON TELEVISION AND RADIO.

OUR GOAL HERE HAS BEEN TO CONTAIN DR. WEIS...AND OVER THE PAST SEVERAL MONTHS, WE HAVE MADE SOME GOOD PROGRESS.

EARLY ON...ATTEMPTS WERE MADE TO SHOW THAT SMOKERS COST NO MORE THAN NON-SMOKERS. BUT...THE FACT IS...THAT SMOKERS DO COST MORE...PROBABLY BECAUSE THEY ARE MORE LIKELY TO BE BLUE COLLAR WORKERS...AND BLUE COLLAR WORKERS HAVE HIGHER RATES OF ABSENTEEISM.

(14) THEREFORE, OUR STRATEGY HAS BEEN TO CONFRONT WEIS...AND CHALLENGE HIS METHODS...AND CONCLUSIONS...BEFORE BUSINESS AUDIENCES CAPABLE OF UNDERSTANDING HOW SHODDY HIS WORK TRULY IS.

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TO DO SO...WE NEEDED A CREDIBLE SPOKESMAN.

FORTUNATELY... AN INFOTAB COMMITTEE...STUDYING THIS ISSUE...IDENTIFIED DR. LEWIS SOLMON...DEAN OF THE GRADUATE SCHOOL OF EDUCATION AT UCLA. DR. SOLMON WAS AS OFFENDED AS WE ARE BY WEIS' WORK...AND SO DR. SOLMON PUBLISHED AN ARTICLE IN "PERSONNEL ADMINISTRATOR,"...THE SAME JOURNAL WHICH FIRST PUBLISHED WEIS.

THE INFOTAB COMMITTEE...CHAIRER BY RICH MARCATULIO OF R.J. REYNOLDS ...WAS MOST HELPFUL. IT MADE DR. SOLMON AVAILABLE TO US...AND WE HAVE WORKED WITH HIM IN SEVERAL WAYS.

LEW HAS ALREADY TRAVELLED TO SEATTLE...WEIS' HOMETOWN...TO MEET WITH REPORTERS. WE DID THIS TO LET WEIS KNOW THAT WE WOULD BE TAKING THE BATTLE TO HIM...AND ACTIVELY CHALLENGE<sup>ing</sup> HIS ARGUMENTS. SHORTLY THEREAFTER...THE SEATTLE TIMES DID A REASONABLY BALANCED ARTICLE ON THE SUBJECT.

LEW HAS ALSO MET WITH REPORTERS FROM A FAIR NUMBER OF BUSINESS PUBLICATIONS. AGAIN...THE RESULTS HAVE BEEN FAR MORE BALANCED THAN WHAT WE HAD BEEN SEEING.

A DETAILED REPORT ON THE USE OF DR. SOLMON IS IN APPENDIX B OF YOUR BOOKLETS. BUT...LET ME MAKE SPECIAL MENTION OF SEVERAL ITEMS:

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- 0 SINCE WE BEGAN...WEIS HAS DROPPED <sup>ONE</sup> ~~TWO~~ OF HIS KEY ARGUMENTS. HE NO LONGER SAYS THAT SMOKING IS RELATED ~~TO LOST WORK DAYS...OR~~ TO PRODUCTIVITY. HOWEVER...HE CONTINUES TO HAMMER AWAY AT SAVINGS DUE TO NON-SMOKER INSURANCE DISCOUNTS.
- 0 WEIS REFUSES TO DEBATE SOLMON...EVEN THOUGH THE MOST PROMINENT BUSINESS GROUP IN SEATTLE IS ANXIOUS TO HOST THE DEBATE.
- 0 THE NATIONAL MANAGEMENT ASSOCIATION HAS OFFERED TO PAY LEW SOLMON TO SPEAK ON THE SUBJECT OF PRODUCTIVITY...BEFORE MANAGEMENT AUDIENCES. IN EFFECT LEW WILL BE PAID...BY THE NMA...TO GET OUR MESSAGE ACROSS. HIS FIRST ENGAGEMENT... NOVEMBER 16...WILL BE BEFORE 300 MANAGERS FROM LOCKHEED.

WEIS IS NOT THE ONLY AUTHOR WHO CLAIMS THAT SMOKERS COST THEIR EMPLOYERS MORE. THE OTHERS...SUCH AS MARVIN KRISTEIN AND ROGER PUPP...ARE FAR LESSER KNOWN TO THE BUSINESS COMMUNITY AND HAVE MADE NO EFFORT TO BECOME BETTER KNOWN. WE DO NOT RECOMMEND ADDING TO THEIR VISIBILITY BY OPPOSING THEM PUBLICLY.

DEALING WITH WILLIAM WEIS IS AT BEST A DEFENSIVE STRATEGY. IT IS NOT THE ONLY DEFENSIVE ACTION WE PROPOSE.

⑮ EARLIER THIS YEAR...CONNECTICUT PASSED A LAW REQUIRING BUSINESSES TO ADOPT SMOKING POLICIES. THE LUNG ASSOCIATION...AND OTHER ANTI-SMOKING GROUPS...LOBBIED HEAVILY IN FAVOR OF THAT LAW.

THOSE SAME ORGANIZATIONS NOW STAND READY TO HELP BUSINESSES DRAFT SMOKING POLICIES. YOU CAN IMAGINE WHAT KIND OF HELP THEY PROVIDE.

IN APPENDIX C IS AN EXAMPLE OF A RATHER MODERATE LUNG ASSOCIATION WORKPLACE POLICY. IT BEGINS BY STATING THAT SMOKING HAS BEEN FOUND "TO BE A MAJOR CONTRIBUTION TO INDOOR AIR POLLUTION." IT GOES DOWNHILL FROM THERE...RESTRICTING SMOKING THROUGHOUT THE WORKPLACE.

WE DO NOT BELIEVE THAT CONNECTICUT IS AN ISOLATED INCIDENT...

THEREFORE...TO DEAL WITH SITUATIONS WHERE BUSINESSES MUST ADOPT SMOKING POLICIES...WE WILL ENCOURAGE THEM TO IMPLEMENT SMOKING POLICIES WHICH ARE FAIR TO ALL EMPLOYEES...SMOKERS AND NON-SMOKERS ALIKE.

⑯ OUR STRATEGY WILL BE TO DO WHAT THE ANTI-SMOKERS ARE DOING...BY PROVIDING DRAFT SMOKING POLICIES TO BUSINESSES. OBVIOUSLY...OUR PROPOSED POLICY WILL SEEK TO ENSURE THE COMFORT OF ALL EMPLOYEES...NOT JUST NON-SMOKERS. WE HAVE INCLUDED SUCH A DOCUMENT UNDER APPENDIX C.

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BEFORE WE USE IT IN CONNECTICUT...OR ANY OTHER SITUATION...WE WILL FIRST HAVE OUR POLITICAL PEOPLE DETERMINE HOW ACTIVELY THE ANTI-SMOKERS ARE PEDDLING THEIR POLICY STATEMENTS...WHETHER BUSINESSES ARE LIKELY TO IGNORE THE LAW...AND HOW THOROUGHLY IT IS BEING ENFORCED.

WE WOULD USE OUR POLICY ONLY AS A LAST RESORT...AND THEN WE WOULD DO SO THROUGH A THIRD PARTY...LIKE A STATE CHAMBER OF COMMERCE.

THE REMAINING STRATEGIES ARE OFFENSIVE...

(17) INITIALLY...THE STRONGEST OF THESE WILL INVOLVE ORGANIZED LABOR AND PERHAPS OTHER NATURAL ALLIES SUCH AS MINORITY GROUPS CONCERNED ABOUT THE USE OF SMOKING RESTRICTIONS AS A SUBTLE FORM OF DISCRIMINATION. TO DATE...WE HAVE FOCUSED ON UNIONS.

IT WILL BE OUR GOAL TO INCREASE UNION LEADERSHIP OPPOSITION TO SMOKING RESTRICTIONS IMPOSED BY EMPLOYERS...OR AS PROPOSED BY RANK AND FILE MEMBERS.

THOUGH A FAIR NUMBER OF UNIONS HAVE...ON THEIR OWN...OPPOSED SMOKING RESTRICTIONS...ORGANIZED LABOR DOES NOT SEE RESTRICTIONS OF THIS SORT AS A MAJOR ISSUE.

(18) WE WILL CHANGE THAT...THROUGH THREE STRATEGIES.

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FIRST...WE WILL INCREASE UNION LEADERS' AWARENESS THAT SMOKING RESTRICTIONS ARE DIVISIVE...DISCRIMINATORY...AND DRAW ATTENTION AWAY FROM MORE IMPORTANT LABOR ISSUES.

THESE ARE RELATIVELY BASIC CONCEPTS...AND THEY ARE BEST COMMUNICATED BY OUR EXISTING ALLIES IN ORGANIZED LABOR. EARLIER THIS MONTH... MEMBERS OF THE INSTITUTE'S EXECUTIVE COMMITTEE MET WITH OFFICIALS OF THE CONFECTIONERS, BAKERY AND TOBACCO WORKERS UNION...TO DISCUSS AREAS OF POTENTIAL COOPERATIVE ACTION. THIS WAS ONE.

THE TOBACCO WORKERS UNION IS A SMALL...BUT DISPROPORTIONATELY POWERFUL GROUP. ITS PRESIDENT...JOHN DECONCINI...SITS ON THE 35-MEMBER EXECUTIVE COUNCIL OF THE AFL-CIO AND IS PERSONALLY CLOSE TO THE PRESIDENTS OF MANY OTHER TRADE UNIONS. MR. DECONCINI CAN...AND WILL...GIVE US ACCESS TO OTHER UNIONS...AND HIS STAFF WILL HELP US GET OUR MESSAGE ACROSS.

WITH THEIR HELP...WE WILL SEE UNIONS ADOPT RESOLUTIONS AGAINST SMOKING AND OTHER "LIFESTYLE" RESTRICTIONS...WE WILL SEE LABOR PUBLICATIONS RUN ARTICLES AND GUEST COLUMNS...AND WE WILL SEE SOME LEADERS SPEAKING OUT PERSONALLY...AT LABOR CONVENTIONS AND MEETINGS. OVERALL...WE WILL CREATE THE SENSE THAT ORGANIZED LABOR WILL NOT TOLERATE SMOKING RESTRICTIONS.

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HOWEVER...ORGANIZED LABOR WILL NOT DO ALL OF THESE THINGS FOR US...SIMPLY BECAUSE THEY AGREE WITH OUR POSITION.

OUR RELATIONSHIP WITH LABOR OFFICIALS MUST BE FAR MORE TANGIBLE.

AT ~~THE~~<sup>THE</sup> RECENT MEETING WITH THE TOBACCO WORKERS...LEGISLATIVE COOPERATION WAS THE PRINCIPAL AGENDA ITEM. NEEDLESS TO SAY...WHEN YOU COMBINE OUR VOTES IN CONGRESS WITH LABOR'S VOTES...THE EFFECT IS CONSIDERABLE. UNDER APPENDIX D IN THE BOOKLET IS AN ASSESSMENT OF THAT POTENTIAL.

WE HAVE ALREADY ENCOURAGED CONGRESSIONAL SUPPORT OF BILLS DESIRED BY LABOR...AND ON A CASE BY CASE BASIS WE WILL DO MORE. THIS IS AN EXTREMELY PRODUCTIVE AREA...WHICH WILL HAVE A DIRECT BEARING ON THE WORKPLACE ISSUE.

WE ALSO PROPOSE A FINANCIAL RELATIONSHIP WITH ORGANIZED LABOR. UNDER APPENDIX E IS THE DESCRIPTION OF A PROGRAM WHICH WOULD RESULT IN GRANTS...TO UNION LOCALS...FOR THE PURPOSE OF PROVIDING EQUIPMENT AND MATERIALS FOR JOB RETRAINING PROGRAMS.

WE PROPOSE THAT GRANTS OF NOT MORE THAN \$10,000 BE AWARDED TO UNIONS IN STATES WHERE THE UNEMPLOYMENT RATE EXCEEDS THE NATIONAL AVERAGE. THE GRANTS WOULD BE MADE BY A PANEL REPRESENTING TI...THE TOBACCO

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WORKERS...AND A WELL-RESPECTED JOB RETRAINING CONSULTANT. IN ADDITION TO IMPROVING OUR RELATIONSHIP WITH UNIONS...THIS PROGRAM WILL BE PART OF OUR GENERAL PUBLIC SERVICE EFFORT.

WE PROPOSE A FIRST YEAR BUDGET OF \$200,000 FOR THIS PROJECT.

ORGANIZED LABOR IS OF VITAL IMPORTANCE.

BUT...ULTIMATELY...IT IS NOT LABOR THAT WE WANT TO INFLUENCE. CORPORATIONS AND PUBLIC AGENCIES ARE OUR FIRST TARGETS.

AS MENTIONED EARLIER...WITHIN EACH BUSINESS...OR PUBLIC AGENCY...ARE PROFESSIONALS WHO CONTRIBUTE TO...OR MAKE...THE MAJOR DECISIONS.

THE REMAINDER OF OUR PROGRAM IS AIMED AT THEM.

(19) FIRST...FINANCIAL OFFICERS.

OUR GOAL WITH FINANCIAL EXECUTIVES IS TO MAKE THEM AWARE OF THE MANY HIDDEN COSTS ASSOCIATED WITH SMOKING RESTRICTIONS.

(20) FOR AMMUNITION...WE PROPOSE THE STUDY OUTLINED UNDER APPENDIX F...A DETAILED COST ANALYSIS OF TWO ORGANIZATIONS WITH SMOKING RESTRICTIONS. ONCE AGAIN...WE WOULD HAVE TOUCHE-ROSS CONDUCT THIS

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WORK FOR US...AND THE COST WOULD BE ABOUT \$60,000 FOR A  
TECHNICALLY-SUFFICIENT STUDY.

OUR TACTICS FOR USING THE STUDY WILL INCLUDE...

- o SENDING THE FULL STUDY...WITH A COVER LETTER...TO THE CHIEF  
FINANCIAL OFFICERS OF THE FORTUNE 500.

LET ME SAY A WORD ABOUT THE COVER LETTERS.

PROBABLY...A GOOD NUMBER OF THEM WILL BE SENT BY A DIRECTOR OF  
CORPORATE RELATIONS FROM THE INSTITUTE...A NEW POSITION DESCRIBED  
IN APPENDIX G.

HOWEVER...THE MOST EFFECTIVE COVER LETTERS WILL COME FROM  
FINANCIAL EXECUTIVES FROM YOUR COMPANIES...INDIVIDUALS WHO KNOW  
THE FINANCIAL OFFICERS OF OTHER MAJOR COMPANIES. UNDER APPENDIX G  
ARE DESCRIPTIONS OF TASK FORCES...MADE UP OF EXECUTIVES FROM YOUR  
COMPANIES...TO HELP US IN THE AREAS OF FINANCE...PERSONNEL  
ADMINISTRATION...AND CORPORATE LAW. THROUGHOUT THIS PROGRAM...WE  
WILL RELY ON TASK FORCES TO PROVIDE US WITH CREDIBLE ACCESS TO KEY  
AUDIENCES.

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- o IN THE COVER LETTERS...WE WILL OFFER TO MEET WITH FINANCIAL EXECUTIVES TO DISCUSS THE IMPLICATIONS OF THE TOUCHE-ROSS STUDY. AGAIN...THIS WILL BE DONE AS MUCH AS POSSIBLE BY TASK FORCE MEMBERS...AS WELL AS THE DIRECTOR OF CORPORATE RELATIONS.
  
- o THE STUDY WILL ALSO BE USED BY OUR LOBBYISTS WITH MEMBERS OF LEGISLATIVE COMMITTEES CONCERNED ABOUT THE COST OF GOVERNMENT.
  
- o PRESS MATERIALS...AIMED AT THE BUSINESS AND FINANCIAL MEDIA...WILL BE DEVELOPED FROM THE STUDY...AND WE WILL AGGRESSIVELY SEEK INTERVIEWS, COLUMNS AND ARTICLES.

(21) OUR SECOND MANAGEMENT AUDIENCE INCLUDES LABOR RELATIONS AND PERSONNEL ADMINISTRATION EXECUTIVES.

OUR GOAL WITH THEM WILL BE TO INCREASE THEIR AWARENESS THAT SMOKING RESTRICTIONS MAY RESULT IN

- o PROBLEMS WITH ORGANIZED LABOR
- o DAMAGE TO EMPLOYEE MORALE
- o DISRUPTIONS TO THE WORKFLOW
- o POTENTIAL DISCRIMINATION

(22) TO GET THE MESSAGE ACROSS...WE WILL RELY ON TWO FORMS OF DOCUMENTATION:

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FIRST...WE WILL COLLECT ALL SIGNS OF ORGANIZED LABOR OPPOSITION TO SMOKING RESTRICTIONS...AND CREATE KITS TAILORED TO SPECIFIC INDUSTRIES. FOR EXAMPLE...IF THE UAW OPPOSES SMOKING RESTRICTIONS... WE WILL PROVIDE THE EVIDENCE TO THE AUTO MANUFACTURERS.

IF A LABOR RELATIONS DEPARTMENT IS DOING ITS JOB...IT ALREADY KNOWS HOW ITS UNIONS FEEL ABOUT SUCH ISSUES. BUT A HELPFUL REMINDER WILL NOT HURT.

SECOND...WE WILL RELY ON A SURVEY OF FIRST-LINE SUPERVISORS TO DEMONSTRATE THAT...AS WORKPLACE ISSUES GO...SMOKING IS LOW ON THE LIST.

RESPONSE ANALYSIS CORPORATION...AN OPINION RESEARCH FIRM WE HAVE USED PERIODICALLY...HAS PROPOSED A STUDY WHICH WILL DEMONSTRATE EXACTLY THIS POINT. THE STUDY HAS BEEN DESIGNED BY AL VOGEL...ONE OF THE FOREMOST EXPERTS IN EMPLOYEE ATTITUDE RESEARCH. DETAILS ARE UNDER APPENDIX H.

THE STUDY WILL COST \$60,000 AND...IF WE PROCEED IMMEDIATELY...WE CAN HAVE RESULTS LATER THIS FALL.

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ONCE AGAIN...WE WILL USE THESE MATERIALS AS BROADLY AS POSSIBLE...IN PRIVATE MEETINGS...MAILINGS TO PERSONNEL AND LABOR RELATIONS EXECUTIVES...AND WITH THE BUSINESS MEDIA.

(23) OUR NEXT MANAGEMENT AUDIENCE IS EMPLOYEE BENEFITS ADMINISTRATORS.

OUR GOAL...TO INCREASE THEIR AWARENESS OF "NON-SMOKER" INSURANCE DISCOUNTS AS A MISLEADING MARKETING GIMMICK.

(24) OUR DOCUMENTATION WILL BE A STUDY OF PRICING...ACTUARIAL...AND MARKETING PRACTICES OF INSURANCE COMPANIES OFFERING NON-SMOKER DISCOUNTS FOR GROUP HEALTH AND TERM LIFE COVERAGE.

THE STUDY WILL BE CONDUCTED BY A MARKETING EXECUTIVE WHO HAS HAD EXTENSIVE EXPERIENCE WITH BOTH LINES OF BUSINESS...AND WHO IS THE VICE PRESIDENT OF MARKETING AND OPERATIONS OF PURITAN LIFE INSURANCE COMPANY...A SUBSIDIARY OF GENERAL ELECTRIC.

HIS WORK WILL COST ABOUT \$30,000 AND CAN BE COMPLETED IN 90 DAYS. DETAILS ARE UNDER APPENDIX I.

LET ME SAY THAT NON-SMOKER DISCOUNTS...AND, IN FACT, MOST NON-EXPERIENCE RATED GROUP INSURANCE DISCOUNTS...ARE MADE POSSIBLE BY THE ENORMOUS PROFITS IN THAT BUSINESS. THE RESULTS OF THIS STUDY ARE LIKELY TO BE QUITE NEWSWORTHY.

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AS WITH THE MATERIAL FOR FINANCIAL AND PERSONNEL EXECUTIVES...WE WILL RELY ON A VARIETY OF TACTICS TO COMMUNICATE TO BENEFITS ADMINISTRATORS.

PRIVATE BRIEFINGS...MAILINGS OF THE FULL STUDY...AND WORK WITH THE BUSINESS MEDIA...ALL WILL BE PART OF OUR PLAN. ADDITIONALLY...WE WILL WORK WITH CONSUMER REPORTERS IN THE MASS MEDIA TO EXPOSE THIS MISLEADING PRACTICE.

(25) OUR NEXT AUDIENCE IS MEDICAL DIRECTORS.

OUR GOAL...TO INCREASE THEIR AWARENESS THAT THE EXISTING RESEARCH ON AMBIENT SMOKE IS INCONCLUSIVE.

BY INCONCLUSIVE...I MEAN THAT IS NOT KNOWN...BY THE ANTI-SMOKERS OR BY US...WHETHER AMBIENT SMOKE HAS ANY EFFECT ON NON-SMOKERS. WE CANNOT SAY THAT AMBIENT SMOKE DOES NOT HARM NON-SMOKERS...AND, IN FACT, THE BEST WE CAN SAY IS THAT IT IS NOT PROVEN THAT CIGARETTE SMOKE IN THE AIR HARMS NORMAL, HEALTHY NON-SMOKERS.

(26) IN THE NEXT FEW WEEKS...WE HOPE TO HAVE A REPORT OF THE PROCEEDINGS OF A MAJOR SYMPOSIUM...HELD AT THE UNIVERSITY OF GENEVA EARLIER THIS YEAR...ON AMBIENT SMOKE RESEARCH. THE PROCEEDINGS ARE BEING PUBLISHED

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IN A MAJOR, EUROPEAN RESPIRATORY MEDICINE JOURNAL THIS MONTH...AND WILL BE THE MOST CURRENT SUMMARY AVAILABLE.

IN THIS INSTANCE...THE INSTITUTE'S MEDICAL DIRECTOR WILL SEND THE ARTICLE ON THE PROCEEDINGS TO HIS COUNTERPARTS IN MAJOR CORPORATIONS AND AGENCIES...OUR LOBBYISTS WILL USE IT WITH THEIR LEGISLATIVE CONTACTS...AND WE WILL BRING IT TO THE ATTENTION OF THE BUSINESS AND PUBLIC MEDIA...THROUGH INTERVIEWS, PREPARED ARTICLES AND RELEASES...

TO AUGMENT THESE ACTIVITIES...WE WILL USE THE PUBLIC SMOKING ADVERTISEMENT...FROM OUR NATIONAL PROGRAM...TO OFFER COPIES OF THE JOURNAL ARTICLE TO GENERAL MANAGERS, MEDICAL DIRECTORS AND OTHERS WHO READ THE MAJOR BUSINESS PUBLICATIONS.

(27) OUR NEXT AUDIENCE WILL BE CORPORATE COUNSEL...OUR GOAL...TO INCREASE THEIR AWARENESS THAT RESTRICTIONS MAY LEAD TO UNWANTED LEGAL ACTIONS.

(28) [OUR DOCUMENTATION HERE WILL BE DEVELOPED BY COVINGTON & BURLING. AS STATED EARLIER...THERE ARE ONLY A <sup>VERY</sup> FEW LEGAL PROBLEMS WITH SMOKING RESTRICTIONS. COVINGTON & BURLING WILL FOCUS ON THOSE AREAS...FOR DETAILS SEE APPENDIX J.]

AS WITH OUR OTHER KEY AUDIENCES...WE WILL RELY ON MAILINGS...PRIVATE BRIEFINGS...SUMMARIES...AND WORK WITH BUSINESS AND LAW PUBLICATIONS.

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WE ARE HOPING THAT THE COMMITTEE OF COUNSEL WILL SERVE AS THE TASK FORCE IN THIS AREA.

OUR FINAL AUDIENCE MAY...ULTIMATELY...BE OUR MOST IMPORTANT.

(29) IT IS THE MEMBERS OF SENIOR MANAGEMENT WHO MUST MAKE THE DECISION.

OUR GOAL... TO ENCOURAGE SENIOR MANAGERS TO REQUIRE THAT SMOKING RESTRICTIONS BE ADEQUATELY STUDIED...AND NOT SIMPLY ENACTED.

(30) OUR DOCUMENTATION WILL BE SUMMARIES OF THE STUDIES I HAVE JUST DESCRIBED...IN KIT FORM...AND CASE STUDIES TO DEMONSTRATE THE NEGATIVE EFFECT SMOKING RESTRICTIONS CAN HAVE CORPORATELY.

AS WITH OUR OTHER AUDIENCES...WE WILL RELY ON PRIVATE BRIEFINGS... MAILINGS...AND WORK WITH THE BUSINESS MEDIA. HERE...WE WILL ALSO BE ABLE TO USE THE TI SPOKESMEN TO DISCUSS THE MATTER GENERALLY.

THAT IS OUR PROGRAM.

LET ME SAY A FEW ADDITIONAL WORDS ABOUT OUR COMMUNICATIONS TACTICS. THERE IS NO QUESTION THAT THE MOST EFFECTIVE TACTICS WILL BE THOSE WHERE WE MEET PRIVATELY WITH BUSINESS EXECUTIVES...AND HAVE A CHANCE TO DISCUSS THE FINANCIAL, LEGAL, PERSONNEL, LABOR AND OPERATIONAL RAMIFICATIONS OF SMOKING RESTRICTIONS.

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OUR RELIANCE ON MAILINGS...AND OTHER FORMS OF MASS MEDIA...IS IN RECOGNITION THAT THERE ARE MORE ORGANIZATIONS CAPABLE OF RESTRICTING SMOKING...THAN WE ARE CAPABLE OF MEETING.

AS WE ATTEMPT TO SCHEDULE THE MEETINGS WE CAN HANDLE...OUR OBJECTIVE WILL BE TO IDENTIFY THE RIGHT SITUATIONS.

③① HOW WILL WE KNOW WHICH ARE THE "RIGHT" ORGANIZATIONS?

WE MUST DIRECT OUR EFFORTS TO THOSE SITUATIONS WHICH AFFECT THE MOST PEOPLE...WHICH ARE MOST VISIBLE...AND WHERE THE MOST SERIOUS FORMS OF RESTRICTIONS ARE IN PLACE OR PROPOSED.

BUT IT IS NOT SIMPLY THE SEVERITY...OR THE VISIBILITY...OR THE SCOPE OF A SITUATION THAT WILL MAKE IT WORTHY OF OUR ATTENTION. IN MOST  
③② CASES...IT WILL BE A COMBINATION OF THE THREE THAT MAKES IT IMPORTANT TO US. THIS CUBE REPRESENTS THE RELATIONSHIP OF THE THREE CHARACTERISTICS. HIGH SCORE ON ANY TWO OF THE THREE...WOULD SEEM TO BE REASON ENOUGH TO ACT.

③③ THIS CUBE FALLS WITHIN A FLOW-CHART...WHICH WILL REQUIRE US TO SYSTEMATICALLY ANSWER A NUMBER OF QUESTIONS...BEFORE WE DECIDE TO PURSUE MEETINGS WITH A PARTICULAR BUSINESS OR PUBLIC AGENCY. DETAILS ARE UNDER APPENDIX K.

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I MENTION THIS PROCESS...BECAUSE IT IS IMPORTANT TO RECOGNIZE THAT OUR RESOURCES ARE LIMITED...AND THIS ISSUE IS INDEED GROWING.

IN OUR OPINION...THERE ARE ACTIONS WE CAN...AND SHOULD TAKE...TO OFFSET WHAT HAS BECOME A TREND...TOWARD VOLUNTARY SMOKING

(34) RESTRICTIONS. (BUDGET) *THE BUDGET FOR THE PROGRAM WILL BE APPROXIMATELY \$1.5 million.*

(35) WE WOULD LIKE YOUR APPROVAL TO PROCEED. WE WOULD LIKE TO DO SO IMMEDIATELY.