

South Carolina STATE PLAN 1999

A. State Situation/Political Analysis

South Carolina has a strong economy with a good revenue stream, as they move into 1999. This coupled with a strong Republican controlled Executive Branch and House promotes a good business climate. We do not expect to see the November elections change this environment, as Governor Beasley's family values platform remains popular with the voters. However, Democratic challenger Hodges is moving up in the polls as Basle's negative position on video poker appears to become more and more unpopular. The abundance of tobacco farming in South Carolina creates political allies in both parties. However, strength is weakening as National attention to our issues and potential for big settlements increases. The tobacco growers are eager to get their share and are not without influence. South Carolina has the third overall lowest excise tax with 7 cents per pack. The only boarding state with a lower tax is NC. at 5 cents. State wide use, sales and marketing are in place and were not challenged in 1998, but intelligence tells us it will be in 1999. In spite of the bible belt culture and the Christian Right influence which by nature are potential threats to our tobacco and beer businesses Philip Morris has an excellent image. To our benefit is a strong well respected lobbying team and a Hospitality Association with active leadership.

The Beer Wholesaler Association has been somewhat ineffective do to the long illness and recent death of its executive. This should change by year end; and timely, as we saw container size, blood content level and licensing activity picking up in late 1998. The mini bottle law is currently in study committee and we could see a flurry of activity spinning from this. Also a 1940 law which prohibits gambling where there is a beer license has made it impossible for business operators to hold both a video poker and beer license. This issue is currently in the courts.

B. Issue Iteration (Tobacco/Beer/Food)

Reactive:

1. Increase in state excise taxes.
2. businesses can not hold both a beer and video poker license
3. Repeal of statewide uniformity.
4. Alcohol/Blood content legislation (.08 VS .10).

Proactive:

1. Youth access to tobacco products.(two year goal)

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2. Repeal of forty oz. malt liquor sales restriction.

I. Objectives (Vision of Success for Tobacco/Beer/Food)

South Carolina, a state of agriculture and tourism, has a vested interest in our businesses. We should have strong retail and business constituents that support our tobacco, beer and food issues. Likewise the state General Assembly should value our contribution to their state and work with us in a supportive manner. To ensure this happens, we must capitalize on our network of field sales and marketing operation in SC., use our corporate giving resources and maximize exposure. Then we can:

1. Ensure no increase in state or local cigarette, beer or food excise taxes.
2. Ensure beer sales are not negatively impacted by inability to hold both a video poker and beer license.
3. Ensure statewide use, sales and marketing uniformity for tobacco remains in place.
4. Keep alcohol blood content level at .10 without Miller taking the lead.
5. Pass youth access restrictions consistent to AAA.(two year goal)
6. Allow forty oz. containers of malt liquor to be sold at retail.

II. Strategies/tactics by Issue

1. Position any increase in excise tax to legislators as a negative to state economy.
 - update SC's tobacco economic data and studies (regressive and cross boarder).
 - give leadership copy of study on economic impact of tobacco on SC.
 - develop a horizontal coalition (growers-suppliers-retailers and wholesalers) that can deliver a full scope message.
 - research and develop message points for each sub group and total impact.
 - media train a cross representation of coalition.
 - stress PM's total economic presence with key legislators.

Help state officials understand and identify alternative sources of funding for tobacco and alcohol education and enforcement.

- provide leadership with list of federal funds available, which are either not being utilized or are under-utilized.
- analyze SC budget to find unappropriated dollars and wasted spending.
- educate legislators on what companies are already doing.

Utilize poll-cons to support legislators that are pro-business.

Utilize Corporate Affs., state sales and marketing personal to identify target

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charitable contributions.

Organize a coalition from grower communities, to include Farm Bureau, Feed and Seed, Equipment venders, etc.

2. Establish a relationship with new Beer Wholesaler Exec. Using this vehicle to monitor court action, form coalition(wholesalers, drivers,vendors,etc) conduct polling, forecast lost revenue and amend changing 1940 law.

Work with Media Affs. to design a campaign showing how ridicules law is.

Work with retailer/ wholesaler coalition to work out reasonable solutions(ie. section off beer from video poker).

3. Show statewide sales and marketing uniformity is working.
- analyze SC's SAMHSA report for successes and reasonable solutions opportunities.
 - develop briefing paper and talking points.
 - develop coalition of businesses, associations and government officials willing to deliver the message.
 - identify target legislators.
 - match up coalition members with targets to deliver message.
 - provide consistent and supporting media coverage.

Identify unlikely supporter that can meet with leaders of effort to do away with uniformity and negotiate AAA solutions.

4. Stop the bill in Democratically controlled Senate.
- get Hospitality Association to take the lead.
 - update research on cost to state and validity of difference between .08 &.10.
 - introduce reasonable solution language, repeat offenders only subject to .08.
 - take a page from tobacco history, the downward slide doesn't stop here.
5. Support state wide licensing, revocation, vending restrictions, proof of age and signage.
- research to ensure we can control.
 - seek industry-wide and retail support.
 - Look for tie-in to state SAMHSA.
 - Pitch to Governor as a win for his family values platform.
 - organize coalition (traditional and non-traditional).
 - introduce as House leadership bill.

Issues Mgt. to lay out successes other states have had after passing these laws.

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6. Pass Senate Resolution thanking Mini Bottle Study Committee for their hard work.
This undoes 40 oz. restriction.
- introduce late in session or amend appropriate resolution late in session.

(Tactics In priority order)

III. Action Plan and Timeline

	Tactics	Responsibility	Timeframe
1.	a.	Issues Mgt.	Nov. - Dec.98
	b.	Drake/Ogburn	Jan. 99
	c.	Drake/Smith/Ogburn(lobbyist)	Jan. - Feb. 99
	d.	Issues Mgt.	Jan. 99
	e.	Media Affs.	Feb. 99
	f.	Beauchemin	Ongoing
	a.	Issues Management & Beauchemin	Jan. 99
	b.	Drake	Jan. 99
	c.	Drake/Smith/Ogburn	Feb. - March 99
	a.	Beauchemin	Ongoing
	a.	Miller/PM/Kraft	Dec.98 - Feb.99
	a.	Smith	Dec. 98 - Feb.99
2.	a.	Beauchemin/Smith.	Dec. 98
	a.	Media Affs.	Jan. 99
	a.	Drake/Beauchemin	Jan. - Feb. 99
3.	a.	Issues Mgt.	Dec. 98
	b.	Issues Mgt.	Jan. 99
	c.	Drake/Smith Ogburn	Jan. Feb. 99
	d.	Drake/Smith/Ogburn	Feb. 98
	e.	Drake/SmithOgburn	March 99
	f.	Media Affs.	March - Jun. 99

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| 4. | a. | Drake/Smith/Ogburn | Jan. 99 |
| | b. | Miller | Jan. 99 |
| | c. | Drake/Smith/Ogburn | Feb. 99 |
| | d. | Drake/Smith/Ogburn | Feb. - June 99 |
| 5. | a. | Drake/Smith/Ogburn | Dec. 99 |
| | b. | Beauchemin | Dec. 99 |
| | c. | Issues Mgt. | Dec. 99 |
| | d. | Beauchemin/Drake | Jan. 99 |
| | e. | Drake/Smith/Ogburn | Jan. - Feb. 99 |
| | f. | Drake/Smith/Ogburn | Feb. 99 |
| | a. | Issues Mgt. | Feb. 99 |
| 6. | a. | Drake | Feb. - June 99 |

VI. Measurements

1. No tobacco, beer or food excise tax passes.
2. No liscensing restrictions on beer as it relates to Video poker.
3. State-wide use, sales and marketing uniformity in place.
4. Alcohol/ Blood content remains at .10.
5. Youth access laws are stronger and in line with AAA.
6. When there are no restrictions on container size for malt liquors.

(Relationship Addendum)

- Kraft Louis Rich Plant General Manager
 1. Visit and tour plant with local Senator
 2. Brief on SGA role and offer assistance
 3. Invite to participate in some PM sponsored activities
- SC. Beer Wholesalers Exec. (position open currently)
 1. Meet new Exec. when selected
- Lt. Gov. Bob Peeler
 1. one on one meeting to brief on PM.

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