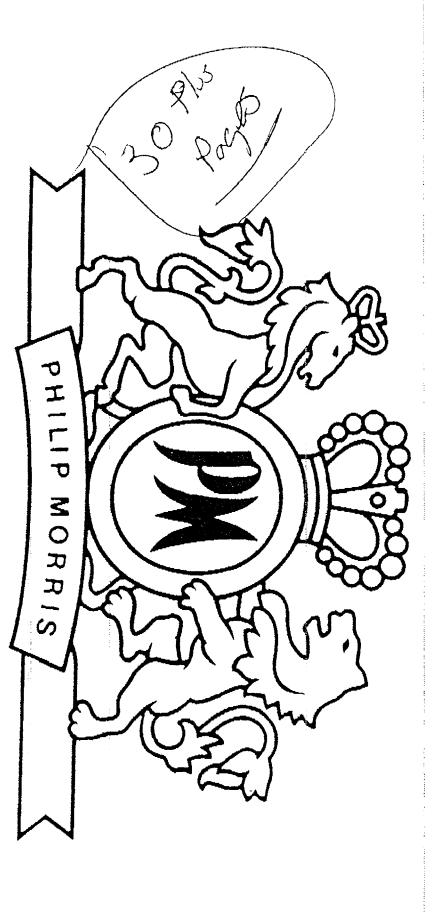
Tobacco Constituency Group



Agricultural, Plant Community, Government, and Public Affairs - An Integrated Approach

T. C. G.

Tobacco Constituency Group

THE GOAL: Improving the political climate within tobacco producing and manufacturing states and in Washington, so that we can continue to manufacture and sell our products profitably.

THE CHALLENGE: To effectively coordinate and target resources which exist to have an even greater impact.

THE IDEA: The broad range of current PM-USA and PM companies ACGP activities is very effective in creating a positive image for the industry and the Company in tobacco-producing states. Accordingly, rather than reinventing the wheel, the comprehensive plan for ACGP Affairs should focus on communication and coordination. The types of constituent development programs which are being run in all areas are uniformly excellent. As I see it, the key to the successful integration of all these constituency-related programs lies in a more structured approach to planning and implementation.

Specifically, I would urge the creation of an informal intra-company task force called the Tobacco Constituency Group. (TCG) -so named because each of the group's participants would represent a segment of the company whose primary purpose is to improve company relations with various tobacco constituencies. I envision that the TCG would meet every three or four weeks and could be used as the vehicle for institutionalizing program integration. I recommend that the TCG draw support from its own staff and Corporate Affairs department at large.

It is clear that some existing ACPG activities overlap, while in other cases the left hand doesn't know what the right hand is doing. These times of inconsistencies are not reflective of a lack of cooperation but of a lack of coordination. By establishing the TCG, PM Companies would be better positioned to take fuller advantage of the tools we're currently using for constituency development within the broad tobacco family.

What follows is a summary and outline of some areas where improved coordination of ACPG activities would result in a more improved use of company resources. It is by no means a complete listing, but it provides a starting point for the first meeting of the Philip Morris Tobacco Constituency Group.

PART I

PLANT FACILITIES INVOLVEMENT

PLANT ACTIVITIES

I. Off-Site Activities

Plant Community Relations and Government Relations have enjoyed a close working relationship for years. Routinely, local and state elected officials are included in all PM-sponsored events in Plant Communities. The opportunities for expanded constituency development can be derived from sports and entertainment activities in plant communities.

The Kentucky Derby, for example, presents us with an outstanding opportunity for cooperation between Community and Government Relations. The Louisville Manufacturing and Sales groups have jointly held Derby activities for years. We should work cooperatively with Manufacturing to augment our own entertaining schedule. In addition, we should consider hosting Federal legislators, as well as state leaders.

Another prime entertaining activity revolves around the PM suite at the Charlotte Motor Speedway. There are two big races, one in the spring and one in the fall. Manufacturing and Government Relations already work closely together to involve locally-elected officials in race activities. We should seek to expand Government Affairs' involvement cooperatively with Manufacturing by involving Southern state and federal politicians who are more likely to be stock car racing advocates.

We should also expand on the Manufacturing-Sales-Government use of the PM Suite at Charlotte Hornets game. As an idea, we could bring important Federally elected politicians to Charlotte for a basketball game and then get them to Cabarras for a plant tour and a speech to Cabarras management.

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PM also has a suite at the Richmond Speedway. It has been used primarily for entertaining constituency groups on race-day; the entertainment could easily be expanded to include elected officials.

I recommend that PM consider sole sponsorship of some large sports event in Richmond. The Seniors PGA Tournament stops in Richmond and sponsorship of this tournament would afford us significant entertainment opportunities, both state and federal. I envision bringing busloads of Congressmen from Washington to play in the Seniors Pro-Am and then tour our plant.

While we should also strive to provide financial support (or gifts) to conventioneers who come to Richmond, we should begin to expect a little something in return for our generosity. At the very least we should ask any group who wants our money if they may be willing to take a position on our issues in the future.

II. On-Site Plant Activities

Particularly in Richmond, and to a lesser extent Cabarras, PM has an outstanding and significant auditorium facility. We already utilize these facilities for some kinds of public service activities.

I recommend that serious consideration be given to using these facilities for political events - fundraisers and legislative receptions. In Richmond, we should endeavor to hold any such reception during the 1991 Legislative session.

III. Legislative Tours

I recommend that we establish a structured system whereby every legislator in Virginia, Kentucky and North Carolina will be given an opportunity to tour our plant facilities sometime in the next year. We should target specific Committees, legislative caucuses and legislative study groups for plant tours.

We should also establish a program where, on a monthly basis, plant tours will be conducted for locally-elected officials (City Councils, County Commissioner, etc.). To maximize the political impact of such visits it will be necessary to identify constituents of these officials. Each touring official should be given an opportunity to address plant management and receive an honoraria. This kind of program is also applicable to Statewide-elected officials and should be utilized accordingly.

We should also offer to every Member of the Virginia, North Carolina and Kentucky Congressional Delegation an opportunity to tour PM plant facilities within the state (if the member has not done so). We must be sure that photo-ops with constituents/elected officials are standard operating procedure. As members of Congress are likely

future candidates for Governor, these tours would serve to further reinforce the good relationship most Tobacco-State legislators have with Philip Morris.

IV. Legislative Leader Luncheons

The backbone of Philip Morris' political support in State Capitals should be the plant community delegations. I recommend that each state legislator from the Richmond, Louisville, and Cabarras community be invited to the plant location for a luncheon with plant management. We should institutionalize this program to the extent that a specific date each month be set aside for these luncheons.

This should be an on-going program, but the initial luncheon schedule should be concluded over a three-year period. It is important that each leader who is involved in this program be invited to participate in all future PM events in the plant community area.

I recognize that this kind of an ambitious visit schedule may be perceived as somewhat of a burden to local plant management. I believe that a systematic approach to tours and luncheons will minimize the disruption of facility activities. Furthermore, after an initial adjustment, such tours and luncheons can become an integral part of manufacturing operations.

V. Plant Announcements

I recognize that business decisions by PM-USA, and announcement of those decisions, are treated differently than standard political announcements. However, it would be of some political benefit to involve public and government affairs in plant improvement/construction announcements. A case in point was PM's announcement 18 months ago of the construction of a new facility and Park 500. There must be some middle ground between the obvious need for industrial secrecy and a politicians' delight in announcing that his industrial development program is a success. This topic could be best addressed by the TCG, as our industry moves toward a new generation of products (and facilities to make these products) in the next decade.

Similarly cooperation and communication has improved significantly between Manufacturing and Public Affairs on the disclosure of bad news (lay offs, plant closing, etc.).

These subjects are <u>never</u> pleasant to deal with, but it is extremely important to avoid the kinds of political/PR problems which exist when a VP of Corporate Affairs heard about the closing of the Louisville stemmery from a reporter.

This situation is not likely to occur again, but the fact that it once happened demonstrates the need for ongoing communication.

VI. Organization Memberships

All PM employees - salaried and hourly - should be encouraged to participate in voluntary, philanthropic organizations. Such volunteerism is a source of great pride for our employees and presents us with considerable public relations ammunition to counter anti-tobacco sentiment in plant states. I would suggest Employee Relations undertake the massive job of compiling a comprehensive list of organizations and causes with which PM employees are affiliated and the approximate amount of time contributed.

This kind of information makes for great billboard propaganda and is also useful as filler for the dozens of neighborhood and Community newspapers who are constantly looking for news to print.

We should also endeavor to involve Senior Plant Management in company-sponsored organizations and memberships to the largest extent possible.

It is not humanly possible for our Community Relations people to be all things to all people - and they surely try. I would suggest some institutional divestment of outside-the-PM-organization responsibilities.

For example, instead of Richmond Community Relations holding membership on 68 organizational boards and being pressured to participate actively in each, manufacturing management should be urged to the greatest extent practical, to assign managers and supervisors to assume leadership roles on these boards. PM representatives on the various boards can report activities to the Community Relations group in each plant location, whereupon the Community Relations representative will feed this info to the TCG. If PM personnel are placed strategically, we will be well positioned to head off organizational support for anti-tobacco activities and initiatives. Dan Ison's participation on the local Salvation Army Board in Louisville is a good example of where this approach was effective.

This kind of systematic and sanitized approach should make it easier to determine the relative value of PM involvement in certain activities.

VII. Employee Political Involvement

Through employee-involvement programs like Building Our Business, employees are educated as to the need for an individual's involvement in the political process. We should, at the earliest time possible and as often as possible, bring New York people to plant locations to brief employee groups on public affairs issues. New issues managers would be ideally suited for this, but we shouldn't exclude anybody. Our employees are starved for political information, and with an outstanding structure in existence for disseminating information, we should be aggressive in offering our employees continuous education about political issues.

Where appropriate, we should also aggressively encourage PM employees to become volunteers in local political campaigns. I stated earlier that legislative representatives in our Plant Communities are our last backstop against anti-tobacco political activities. Political contributions are certainly important, but when political candidates volunteer time they are bound to be impressed. This kind of aggressive political support program was utilized in a Virginia House of Delegates campaign in 1989. I might suggest that some New York staff time be devoted solely to plant community political activation these political battlegrounds would be safe places to try out our new plans for political activism.

I also strongly suggest that Senior Management encourage PM employees to run for political office - including State House and State Senate. It is certainly helpful for a PM executive to contact his State Delegate, but the same PM executive could have a real impact for the company if he were permitted to serve in the Legislature. In the Richmond area, a legislator who is decidedly anti-tobacco represents over 800 employees and retirees. What a formidable political weapon we might have if these 800 folks were supporting one of their own.

VIII. Speaking Opportunities for Executives/Employees

I believe we should make some form of public speaking training an integral part of our Training Center objectives. When armed with the right facts (as presented under Item VII), our employees can build grassroots understanding of the tobacco industry and of Philip Morris within plant communities and sub-communities. We should also endeavor to identify each Civic, business and professional club within our extended plant communities as targets for Philip Morris public speakers. I suggest that public speaking by managers become an integral part of a manager's job description and that each manager be assigned two or three speaking opportunities a year.

While you might want to reserve large speaking roles - like Richmond Rotary, Charlotte Chamber - for New York Management, I know from first-hand experience that dozens of little civic groups are faced with the monthly daunting task of finding program speakers. Over ten separate Jaycee chapters, for example, exist in the Richmond area. We should use our well-known spirit of community involvement as a basis for our willingness to seek out these kinds of local speaking opportunities. This kind of grassroots communications should begin to offset some of the PR losses we've recently sustained in plant communities at the hands of anti-smokers.

IX. Publications

Dan Ison has begun extracting "good news" from the weekly GA report as a part of a bi-weekly publication he makes available to our Louisville employees. I might suggest that we use our New York resources to expand this program to all of our plant communities. Plant community personnel are uniquely positioned to spread the word that the tobacco industry wins more often than it loses. We should take advantage of this energy.

I would urge that each PM Plant In-House publication devote part of its space to Government Affairs. Possible items for a government affairs column might include legislative updates, profiles of local

legislators, guest remarks by legislators or photographs of legislators meeting PM constituents during plant tours. All of this in-house political activity brings the political process closer to the employees. It will also make them better-informed ambassadors for the company.

X. Community Needs Assessments

Whether dictated by Company policy or not, the TCG should, on an on-going basis, conduct continuing needs assessments for the plant communities. It is very easy, and quite normal, for all of us to get stuck into the rut of funding worthwhile community programs because we've "always done it." We should be on the lookout for opportunities to be innovative in our approach to community and political involvement.

There are a couple of ways to accomplish this. One, we could challenge community leaders to locate unfunded community needs and create proposals to deal with these new problems. Secondly, we could establish a new, local "contingency fund" for our employees who participate in public service activities. For example, a PM employee who is also a member of the Powatan Lions Club, may ask that PM provide matching funding for a \$500 project to build a baseball park. This approach would broaden and be separate from the current matching gift program.

These kinds of matching gift activities would be primarily small contributions to worthy local philanthropic projects which are not likely 501(c)(3) entities. We can have an enormous positive impact, at a minimal expense, and without creating or using another huge bureaucracy by providing an opportunity for our employees to be involved in the decision-making process.

Along the way, I suspect that some enterprising employee will help us identify that new community need which fits squarely with our corporate identity. In bringing the contribution process down to the lowest levels of PM, we won't ignore large traditional constituencies, but instead we'll find exciting ways to have an even more positive impact in the communities in which we live.

I'll now try to examine some of the ways in which PM's Agricultural activities can be more closely related - on an on-going basis - to Governmental, Community and Public Affairs. The key issue here is that nobody has the market cornered on new ideas. We can learn a lot from each other - and make our own programs better - if we formalize our communications relationship.

PART II

AGRICULTURAL INVOLVEMENT

AGRICULTURAL ACTIVITIES

I. Philip Morris Sponsored Tobacco/Political Events

These events are primarily agricultural-political events whose main purposes are to (1) Make tobacco farmers feel good about themselves and their industry, (2) Make politicians (U.S. Senators, Congressmen, State and locally elected officials) feel good about the industry, their tobacco-growing constituents, and PM and, (3) Make said politicians look good.

I suggest that an event be planned in the following states each year particularly if a member of Congress in the particular area, would be
amenable to PM hosting an event in his District - Florida, Georgia,
South Carolina, North Carolina, Virginia, Maryland, West Virginia,
Kentucky, Tennessee, Indiana and Ohio. On a selected basis, we
should also consider tobacco-growing districts in Wisconsin and
Missouri for events. Experience has shown that PM-sponsored
tobacco events are more visible when attached to other activities
within a Congressman's District. In addition, the PM event is better
for the politicians when PM leans on them to activate their political
networks (or District offices).

A highly visible PM-sponsored event, even when a part of a larger event, is a much wiser use of PM political resources than a

contribution to the general fund of an otherwise worthy event. For example, PM usually contributes to a tobacco festival held annually in Southern Ohio. We could have a much greater impact with growers, local politicians and the Members of Congress from that area, if we offered a "Salute to Bob McEwen" as a part of the Festival. Such a visible display would solidify growers' good feelings toward their legislative representatives and us as manufacturers. These good feelings translate into political cover when federal/state politicians feel the heat for supporting tobacco.

We should also continue our biannual program of "Tobacco and the 10_ Congress." As each new federal legislative session begins, we should bring Flue-Cured and Burley leadership, dealers, warehousemen, and other companies, to hear the compelling political discussions which will shape federal tobacco policies in the next biennium. This program also serves to reinforce PM's position as the industry leader among the tobacco family. Separate meetings should be held for Flue-Cured and Burley.

I. would also like to wrap a Tobacco-State Legislators Conference up into this event. The political goals for the "Tobacco and the Congress" conference and a State Legislators Conference are essentially the same. I believe we could craft a program which would meet our political objectives on both fronts.

It is critical to the success of these efforts that the Chairman of the TGC be widely informed of PM governmental affairs activities in Regions 4 and 6. Regional Directors in these Regions should work to insure that inter-departmental topacco activities are coordinated with topacco activities in other Regions.

II. General Agricultural and Agri-Business Events

Whenever possible, we need to use non-tobacco agricultural and

Agribusiness events as a forum to discuss tobacco issues. This is

especially true in non-tobacco producing states and in Washington.

True agricultural constituencies for tobacco can only be built through
a sustained "we're all in this farming business together" routine. PM

should routinely join the Agri-Business Council in every State and to

the extent practical, offer PM Companies as a resource for events.

As an example, the Kentucky Department of Agriculture held an "Ag Chemicals" seminar - PM provided a food safety expert from Kraft to appear on a panel. These kinds of opportunities exist and can be utilized as a method of building political capital for PM. Congressmen and Senators routinely hold "agricultural seminars" in their states and districts. We should always be on the lookout for speaking opportunities at these events.

In tobacco-producing states, we must continue and expand a new program of cooperation between Government Affairs, Community

Relations, Manufacturing and sales at State Fairs. VIP receptions offer good political associations, while a continuing presence for the duration of the Fair builds on the traditional PM-agricultural relationship.

I also think we should work more closely with Convention Bureaus in Richmond and Charlotte. The more Ag Conventions we get in those two cities, the more opportunities we'll have to show farmers and other ag professionals the tremendous commitment we've made to agriculture in those two cities.

III. Farmer Programs

PM has traditionally been identified as the industry leader in tobacco farmer constituency programs. Our innovative and unique Agricultural Leadership Development Program is a model for other programs. I have a couple of suggestions which may make the program even more effective. As these suggestions are political in nature, I believe that the Universities involved would be receptive to the notion of making the politicians who appropriate their funds happy.

I believe we should broaden the nomination pool - not the criteria for inclusion in the program - but the pool of people who can nominate candidates for the Agrucultural Leadership Development Program.

Nominators should include federal, state and local politicians, as well as County Extension Agents who are the current nominators. Such political involvement accomplishes two broad objectives: (1) By asking politicos to nominate young farmers and agri-businessmen, they will be more personally aware of PM's and the University's continuing involvement in this program and (2) the politicians will ostensibly be doing a favor for a constituent with no conflict-of-interest involved.

In addition, we should offer the Company's vast public affairs resources to the Universities to include in their programming. This approach can provide program participants insights into public affairs beyond a traditional institutional approach. For example, we could provide the kind of comprehensive media training that PM provides to Senior Management so that program graduates can be even more aggressive spokesmen for the tobacco industry. We should also seek to have a United States Senator from a tobacco-state as the "graduation speaker" for each class.

With respect to the Outstanding Young Tobacco Farmer Program, we should continue our recently-implemented strategy of including State legislators in the various states' recognition program.

We should also use our media expertise, in cooperations with the state Universities' own Media Center, to broaden the recognition of the program. (The current program recognizes County winners and a State Winner is selected from the County Winners).

State Winners are invited to Richmond for a conference-type program in recognition of their award as the State's Outstanding Young Tobacco Farmer. Perhaps we could broaden the scope of the recognition program by inviting the winner's State Senator and/or Representative to accompany him to Richmond. We might hold some kind of panel discussion for those state legislators who came to Richmond and provide them with an honoraria where appropriate. It would also provide PM an opportunity to showcase its Richmond manufacturing facility to political leaders who might otherwise not have an opportunity to see it.

IV. Public Appearance Opportunities

A continuing effort must be made to insure that tobacco growers in every state appreciate the gravity of the public affairs issues facing the tobacco industry. Because of the PM leaf department's traditionally close relationship with growers, warehouse operators, dealers, transporters, etc., the the Department is uniquely positioned to be the most important PM resource in this educational effort.

At every opportunity, PM personnel who speak to farm and agricultural types should use the opportunity to mention public affairs issues. Just five years ago the only significant public affairs issue facing growers was whether there would even be a tobacco program. Now, tobacco tax increases, restrictive smoking laws and tobacco export bans pose a real threat to the livelihood of all segments of the industry - INCLUDING GROWERS. We must hammer this home at every opportunity.

To accomplish this important objective I recommend that public affairs issues be a major focus of public appearance opportunities in the farming sector. A meeting of grower leaders in Tarboro, North Carolina, for example, would provide an outstanding forum to influence grower opinion on tobacco tax issues. North Carolina House Speaker Mavretic resides in Tarboro and his disturbing views on tobacco taxes may be moderated if the community grower leadership were united in opposition to such taxes. PM Speakers could be a primary resource for creating these kinds of event.

We should also expand on existing contacts with young tobacco leaders by urging these leaders to testify on behalf of the industry at local, state and federal tobacco hearings. We might encourage this kind of participation by offering on-going media training and public affairs briefings.

In some cases, it may even be appropriate to pay growers expenses when incurred for this purpose. This kind of program is a logical extension of the PM Speaker's Bureau, and is perhaps better because local growers have more credibility in legislatures than do hired guns. Local young farmers who participate in a Speaker's Bureau would also be excellent program speakers at Chambers of Commerce Annual dinners. By speaking to Community and business associations, the industry broadens its audience.

Plant Tours V .

We should continue to work with grower leaders to encourage tours of PM plant facilities to the greatest extent possible. Plant tours should be used as a forum for providing political education to growers on issues facing the tobacco industry beyond these traditionally associated with leaf production. This could perhaps be best accomplished by working with local Farm Bureaus, and County Extension Agent groups. On a monthly basis, we could charter a bus, if necessary, from some County and on a first come-first served basis offer a trip on a bus to Richmond/Cabarras/I ouisville for a plant tour and a lunch. The more often we tell growers how much we love them, the better off we are.

Someone also suggested that a busload of PM plant employees (off shift) might consider going to tobacco warehouses during marketing season and provide a barbecue lunch for whatever growers are at the House that day. It would certainly be an opportunity to develop a degree of understanding and comity between growers and hourly workers. Perhaps our growers and hourlies would develop a greater appreciation of how everybody needs everybody else in the tobacco industry.

VI. Financial Contribution Opportunities

In all tobacco-growing states, we should explore the possibility of creating Tobacco-Pac. We should enlist the financial support of all segments of the industry and thereby create a financing mechanism for political campaigns solely based on tobacco. About the only language some politicians speak these days is one of money.

This is a very delicate proposal because of the traditional grower/manufacturer relationship. But if we can instill in growers the belief that they can make a difference for our industry, we may be surprised at the number of growers who may choose to participate.

One Caution: I guarantee that state Farm Bureaus will view this - and tell growers - as a move by the Companies to dilute FB's political influence.

VII. Grower and Related Organizations

In an ideal world, PM might contribute to one organization - Tobacco Growers of America (there's no such thing) - and the world would be a safer place. But in reality, the industry is made up of dozens of grower groups who each in their own way make a significant contribution to the industry. Therefore, I believe it is impractical to abandon our existing practice of contributing to a lot of tobacco grower groups in different states.

Flue-Cured is separate from Burley. Kentucky is separate from Tennessee. And so it goes.

Even in North Carolina, different flue-cured organizations compete for grower loyalty. The Tobacco Growers Association, for example, provides a check and balance to the political tobacco objectives of the Farm Bureau. While the NCFB is one of the two most important grower groups, we cannot abandon the Tobacco Growers Association.

Therefore, I suggest we continue our efforts to find the activities of as many different organizations as possible, in all tobacco states, and concentrate our political education efforts through the media and broad-based TBN-like coalitions.

I do recommend that a sizable amount of money be set aside each year for 503(c)(3) organizations within the tobacco family. Such contributions can have enormous positive political impact. Examples of such strategic contributions might include Ag-in-the-Classroom programs, Tobacco museums and Tobacco forums.

I do suggest that we start an association in each tobacco state of past winners of the Outstanding Young Tobacco Farmer and Agricultural Leaders programs. They could meet yearly or so, and could perhaps be a conduit for information dissemination or if we need a farm group to come out in opposition to excise taxes.

VIII. Non-Tobacco Grower Relationships

We should join every agricultural organization which exists which has some relationship to the tobacco-growing industry. We should look closely for opportunities to participate in these organizations in an active way. Larry Sykes' participation in the activities of the North Carolina Agri-Business Council is an example. Other examples might be Fertilizer Associations, Farm Implement Dealers Associations, Seed Dealers Associations, etc. We need friends wherever we can find them.

Relationships developed within non-tobacco circles can also be utilized in broadening Tobacco Business Network memberships and creating TBN's in states where TBN doesn't yet exist.

IX. Agricultural Media Opportunities

PR types could spend days offering creative ideas to spend money.

I'll offer some random thoughts as practical and efficient use of resources.

- 1. The Tobacco Growers Information Committee is operated under the auspices of the Flue-Cured Stabilization Corporation. The TGIC mailing list includes virtually every producer of tobacco in the country and, because Stabilization is a grower organization, TGIC has credibility with growers that manufacturers don't have. I suggest we fund the informational activities of TGIC to the greatest extent possible, utilizing our own internal resources and those offered by PR professionals within the states.
- 2. Offer a Scholarship Program to Ag Journalism majors. Some day Today's Ag journalism majors will be writing copy for some of the nation's most influential farm publications. We could provide them with the opportunity to receive an education and maybe they'll remember us.
- 3. We should identify each scholarship and fellowship program which is aligned with PM agricultural activities. We should endeavor to more aggressively involve agricultural and political

leadership in the announcement of these scholarships and fellowships. Wherever possible, we should consider making photo opportunities an integral part of our scholarship efforts.

- 4. I recommend that we investigate the various State Farm Bureau publications as placement opportunities for advertorials. The obvious advantage of purchasing advertising in Farm Bureau publications is that we're helping the FB's bottom lines. But these publications reach a broader population than farm families, primarily rural and small town subscribers, as the FB publications go to everybody who buys FB insurance.
- 5. We should continue and expand our purchases of advertising for political purposes in specialty publications like the Flue-Cured Tobacco Farmer. These kinds of purchases enable us to communicate directly with constituency groups who have a vested interest in our issues. An advertorial in a speciality farm publication offers an excellent forum to mobilize ag vender opposition to antitobacco activity.
- 6. We should consider some modest advertorial purchases in major national farm publications like <u>Progressive Farmer</u>, <u>Farm Journal</u> and <u>Successful Farming</u>.

By purchasing in broad-based publications, PM will spread its message beyond the traditional tobacco belt to readers who'll be generally sympathetic. The notion of purchasing ads in this forum is not unlike the recent nationally-televised excise tax ads.

X. Programmatic and Marketing Reforms

The development of the Tobacco Constituency Group will make company-wide political discussions of programmatic and marketing issues more systematic. Such an approach should also lead to more consensus-building on program issues and will afford decision-makers in Senior Management a clearer view of the broad picture.

SUMMARY

This summary of a variety of ideas is the product of years of work by a lot of people in Philip Morris. Few of the ideas presented are original; most have been implemented at one time or another, but, many are on-going. These are probably a number of activities of which I'm not aware. But I would hope this proposal brings a broader vision to tobacco constituency relations and how each action by one segment of the company can positively impact on another. I would be happy to address individual concerns or questions anyone might have. As I've stepped on a lot of toes, I'm sure there will be a lot of suggestions.