



PHILIP MORRIS U.S.A.

Inter Office Correspondence

TO: All Philip Morris USA & NYO Employees **DATE:** March 24, 1994
FROM: William I. Campbell
SUBJECT: ABC Lawsuit

Today, Philip Morris filed a libel lawsuit against ABC, charging that the network made false and defamatory statements on its February 28 and March 7 "Day One" programs, as well as other ABC News broadcasts.

Our company is seeking redress for the harm caused by ABC's false claim that Philip Morris and other tobacco companies artificially "spike" cigarettes sold in the United States with extraneous nicotine for the purpose of "keeping smokers hooked." We are suing for \$10 billion -- \$5 billion in compensatory damages and \$5 billion in punitive damages.

We informed ABC of the facts prior to the Day One broadcasts. By failing to report those facts, ABC has confused consumers and caused regulators to express unnecessary concern. ABC has played into the hands of -- or joined hands with -- those who make a career of attacking the tobacco industry.

Following the first "Day One" broadcast on Feb. 28, I sent a letter to members of Congress pointing out the numerous errors and inaccuracies in the program's report. I sent a similar letter to the *New York Times* which was printed on March 15. I would like to reiterate some of the points I made in those letters to you, so that you may have a clearer view of the issues involved in the case.

First, nicotine occurs naturally in tobacco. Nothing in the processing of tobacco or the manufacture of cigarettes increases the nicotine in our products above what is naturally found in the tobacco. Second, our manufacturing actually results in less nicotine in every cigarette we make than in raw, unprocessed tobacco. Third, consumer taste preferences have led to products with lower tar and nicotine levels. As a result, the overall nicotine content in cigarettes has declined more than 50 percent in the last 40 years. Finally, as you know, we have listed the nicotine levels of all of our cigarette products in our advertising, as prescribed by law, for the past 20 years. Consumers can choose the product they prefer with full information of its nicotine content.

In making today's announcement, Murray Bring, Senior Vice President and General Counsel, Philip Morris Companies Inc., said "There is no corporation in this country more committed to freedom than Philip Morris. As the manufacturer of a controversial product, we well understand the importance of all of our freedoms -- including a free press that speaks for and to the diversity of this country. But we do, we must, draw the line at libel."

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Today's action is but the most recent example of Philip Morris standing up for itself, our consumers, and the industry. In June, 1993, we joined with five other tobacco-related businesses to file suit against the Environmental Protection Agency, charging the EPA with manipulating scientific data, ignoring its own accepted procedures and guidelines and using faulty science in preparing its risk assessment of environmental tobacco smoke. In January of this year, we joined with several San Francisco businesses in filing a lawsuit against the city for overstepping its regulatory authority in passing an ordinance that banned smoking in almost all workplaces.

Philip Morris will continue to be vigilant about false allegations. If they occur, we will act swiftly to correct them, and to get the facts to the media, lawmakers, consumers, and to you, our valued employees.



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