

## **Action Against Access:**

### **Program Summary**

#### **I. Overview**

#### **II. Program Elements**

The program consists of the following elements that Philip Morris will initiate immediately:

1. A notice will be placed on all packs and cartons of Philip Morris's cigarettes stating: "Underage Sale Prohibited." We expect most of our product to carry this notice by early fall, after we have made the necessary packaging changes.
2. Effective immediately, we will discontinue free product sampling to consumers. In the past, sampling has been used effectively to introduce new products, to encourage adult smokers to switch to our brands, and to reinforce brand loyalty among adult smokers.
3. Effective immediately, we will not distribute cigarettes through the mail. Like sampling, this technique has been an effective way to reach adult smokers.
4. Currently, over X retailers -- the vast majority of whom comply fully with minimum age laws -- participate in a variety of programs in which we provide significant merchandising payments. As part of Action Against Access, we will deny merchandising payments to stores which are fined or convicted for selling cigarettes to minors. Our ability to implement this element of the program successfully will require a system whereby we receive prompt notification of instances in which stores violate minimum age laws. We will work with retail associations, law enforcement agencies, legislators, and others to assure that such systems exist throughout the country.
5. Philip Morris will work with retailers to assist them in complying with minimum age laws. Our sales force will have the responsibility of placing minimum age signs and related materials in over 200,000 retail outlets around the country. We will also work through trade associations to assure that those materials also reach those retail outlets that are not

called on by our sales force. As part of our "Ask First/Its The Law" educational programs, we will conduct compliance seminars with retailers and law enforcement officials. We are committed to making the financial investment necessary to ensure the effectiveness of these educational and informational programs.

6. Philip Morris will remain vigilant in our aggressive efforts to prevent the use of Philip Morris brand names or logos on any item marketed to minors, including video games and toys. Philip Morris has taken legal steps in more than 1,800 instances to prevent the unauthorized use of our trademarks. Going forward, we will implement a program to reward members of the public who notify us of unauthorized uses of our trademarks.

Beyond our commitment to take the preceding actions on our own, we are equally committed to implementing the following elements of Action Against Access. These elements will require us to work with retailers, state policy makers, law enforcement officials, and others to achieve our goals:

7. The enactment of reasonable state legislation which would (a) require that all retailers who sell cigarettes must be licensed; (b) establish enforcement mechanisms; (c) include notification procedures; and (d) provide for appropriate sanctions for violations of sales to minors, including fines and possible suspension or revocation of licenses.

8. The enactment of state legislation to prevent purchase of cigarettes by minors from vending machines. Possible approaches to prevent the purchase of cigarettes by minors from vending machines include restrictions on the location of machines, lock-out devices, and tokens available only to adults.

9. The enactment of state legislation to ensure that all cigarettes for sale at retail are within the line of sight or under the control of a sales clerk, unless access to the outlet is denied to minors. In addition to proof of age requirements, restrictions on the location of cigarettes in retail outlets will enhance the ability of retailers to prevent youth access.

10. The enactment of state legislation to ensure the posting of minimum age signs in all outlets that sell tobacco products. We will support state legislation to require such signs. Experience has shown that prominently posted signage is effective, not only in helping retailers

comply with the law, but also in reminding minors who might attempt to purchase cigarettes that they will be checked for proof of age.

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