

**WEEKLY REPORT TO HOWARD LIEBENGOOD
FROM TINA WALLS
December 15, 1995**

REVIEW

(i.e., highlights of current week)

1) On 12/11, a five-year plan was introduced that would increase the cigarette tax \$.25 per pack. The funding from the tax increase would be used with other funds to cover the costs of a proposed charity healthcare program. Many key decision makers in the Legislature and the Administration want to resolve the issue prior to 12/31.

Democrats in the legislature have not backed the proposal. Gov. Christie Whitman (R) urged Democratic legislators to "step up to the plate" and "do the right thing" in supporting the proposed Assembly bill to raise the cigarette tax.

Leadership meetings on this issue are scheduled for 12/18.

The New Jersey branch of Citizens for A Sound Economy (CSE-NJ) launched an aggressive campaign against this Administration backed proposal. Because of the abrasiveness of the campaign towards the Governor, PM is not participating in the special CSE-NJ effort.

2) On 12/13, the \$.30 cent per pack cigarette tax initiative was filed. The major sponsor of the initiative is the Oregon Hospital Association.

3) In Alabama Gov. Fob James (R) rejected the idea of increasing the state cigarette tax to pay for Children First, a package of juvenile discipline and child intervention programs.

4) The Preston, MN City Council voted on 12/8 not to appeal Federal District Court's ruling that town's ordinance banning in-store tobacco advertising is preempted by federal law.

5) On 12/12, the Ft. Wayne, IN City Council, by a vote of 5-3, refused to consider a smoking ban ordinance. A previous attempt at the same ordinance was rejected by the Council in April, 1994.

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ACTIVITY

(i.e., anticipated highlights of the coming week)

1) FDA

The California Grocers Association and the California Coin Machine Operators have sent letters to the FDA in opposition to the regulation of tobacco.

ALEC is preparing another letter for the ALEC Chairman to send to members of Congress expressing in stronger terms ALEC's opposition to the FDA proposed regulations.

Charles W. Lamar, III, of The Lamar Corporation in Baton Rouge submitted comments dated 11/22/95.

The Michigan Distributors & Vendors Association submitted a letter to FDA in opposition to the proposed regulations. Also, sending letters in opposition were, Eby-Brown; S. Abraham & Sons, Inc., and the Small Business Association of Michigan.

We have received letters from NV Senator Bernice Mathews and the Reno-Sparks Chamber of Commerce.

In NE, Congressman Charles Bass, R-2nd District, has written the FDA expressing opposition to the their proposed regulations. In addition, Senator Gregg's office has indicated that he is likely to support a letter that is similar to one that Senator Nickles (R-Nebraska) is authoring. Senator Smith's chief of staff has indicated that he will consider sending a letter. We have a Monday morning (12/18) meeting with Congressman Bill Zeff and will discuss this issue with him.

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Below is a list of New York policymakers, businesses and individuals who have sent letters to the docket. The date of the letters sent follows the name. The senders and dates are:

Assemblyman Charles O'Shea - 12/7/95; John Button, James Buda, Gail Bovenzi, Michelle Steger, Wayne Hemmerich, John Miller & George Genzel Jr. - Button Brothers Distributors - 12/6 & 7/95; Senator William Sears (R-Woodgate); Robert Ducette - Armory Development Corp. - 12/11/95; Frank Malfitano - Landmark Theater - 12/11/95; Brian Elwell - ElWell's Restaurant & Deli - 12/11/95; Joseph Russo - former Dutchess County Economic Devel. Dir. - 12/12/95; Thomas Young - Former Mayor of Syracuse - 12/14/95; Charles McCormick - McCormick's Nutz - 12/14/95; Lisa Beale - Lexicon Communication ; Robert Corning - Swallow's Restaurant; Richard Gendron - Gendron's GMC Truck Center; William Eberhardt - Sherwood Inn - 12/14/95; Mel Feldman - The Smoker - 12/14/95; Fred Fitzsimmons - Fitzsimmons Food Land - 12/14/95; Nicholas Thomas - The Buttery; Robert Hair - Gourmet Gallery Catering Service; James Cerio - Cerio Amusement Vending Co. - 12/14/95; Rocco DiVeronic - Town of Lenox - 12/18/95; Francis D. Kelsey - Town of Lenox Councilman & Dairy Farmer - 12/18/95; Nicole Plisson - Nicole's Bistro ; Louis H. Smith - 12/15/95; Claude Babcock - 12/15/95; William Wilcox - 12/15/95; Howard Blowers - 12/15/95; Wayne Burlarley - 12/15/95; Darrell Wallace - 12/15/95; Donald Wilcox - 12/15/95; Kenneth Shaw - 12/15/95; Howard West - 12/15/95; Stephen Freund - 12/15/95; William Jarvis - 12/18/95; Richard Ritchie - 12/18/95; Bernard Bayne - 12/18/95; and Don Gendron - 12/6/95.

North Dakota Senator Evan E. Lips and John Dorso of the ND House of Representatives sent letters.

The Ohio Coin Machine Association and Ohio Automatic Merchandising Association are preparing letters. A draft letter is under review by the Ohio Association of Tobacco & Candy Distributors.

In RI, we are awaiting responses from Representative George Zainyeh and Senator Dennis Algieri. They are reviewing draft letters we have provided them. Rowe Vending is also reviewing letters provided to them. We have spoken to the Whiteco Sign Company's (billboard advertisers) lobbyist, and she is investigating whether Whiteco has sent any letters and/or would be willing to send letters. Senator McBurney has committed to send a letter. We are awaiting response from the Grocers Association. NECSA is mailing to all it's members requesting they write the FDA.

In SD, Darlene Huettl, Executive Director of the SD Stockgrowers Association.

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In VT, we have received confirmation that Representative Richard Pembroke's, D-Bennington, submitted letter to the FDA. Representative Oreste Valsangiacomo, D-Barre, has been out of town prior to Thanksgiving, due to a family illness. We will continue to pursue for submission prior to deadline. Ed Miller and Shawn Banfield met with the Vermont Chamber of Commerce on Wednesday. After presenting the issues, the VCC Governmental Affairs Committee voted to submit a letter from the "slippery slope" perspective. Bill and Shawn met with the Vermont Grocers' Association Legislative Committee on Wednesday, and they have also agreed to submit a letter. Approximately three to four of the individual members of this committee will also submit letters. We have finally received two letters from individual wholesale distributors

2) AAA

The NJ Assembly Appropriations Committee released for consideration by the full Assembly S1186/A2892, a bill that would authorize the Commissioner of Health to regulate the sale of tobacco products to minors, increase licensing fee for retail tobacco dealers and vending machines, and dedicate certain revenues to local enforcement activities. The proposal will be voted on next week in the Assembly.

3) Legislative activity expected next week

In Santa Barbara County, CA, on 12/19, the county supervisors will hear a report from local merchants who are developing a self-enforcement program to reduce tobacco sales to minors.

The Rockland County (NY) legislature will hold a hearing on 12/19 on proposed smoking ban legislation. No vote is expected.

TRAVEL

(i.e. highlights of your travel plans in the coming week)

I am in the WO on 12/18. Will attend your staff meeting by phone on 12/19 as I am in NY for the meeting for the field secretaries. Will be in NYO on 12/20. Vacation beginning 12/22. Julie is out 12/25 through 1/2/96. When Julie is out of the office, I will be reachable either on my beeper or at 202/759-8858.

Happy holidays!

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