



Inter-office Memorandum

Subject: Decision Digest and Assignment Recap for Tobacco Industry Public Affairs Policy Management

Date: 5/9/77

To: James R. Peterson

From: Dennis Durden

As we agreed, I have prepared this memo. It is a digest of the many important decision-related assignments we have made recently about the "political" campaign needed for the industry:

Decision #1 - We will "evolve" into the ultimate political campaign group, instead of creating a full-blown organization de novo as suggested by the agency proposal for Group '84.

Assignment - Bill Hobbs and Hudnall will notify the agencies of our decision.

Decision #2 - Now and in the ultimate effort, T. I. can continue to play important roles, especially if they can get their state (and where appropriate, municipal) restrictive smoking counterattack forces reorganized into a strong effective organization--one that can be quickly formulated and put into play in the short run. The costs of this can't be estimated with precision now, but Horace's plan may spell out costs of \$2 million plus annually.

Assignment - Bill Hobbs has asked Horace to develop and submit a strategy program and organization plan for revamping T. I.'s state program. Horace will meet a June 1st deadline for a complete program package with full budgets, grass roots requirements, and interlocks with other T. I. committees.

Decision #3 - RJR will formulate and test the long-term political campaign and strategy using resources selected by RJR, but keeping T. I. informed.

Assignment - Jim Peterson will head the RJR work. (See attached chart.)

Decision #4 - After the long-range campaign has been formulated, tested, and refined, it will be presented to the rest of the industry by T. I. In securing T. I. support, RJR and PM are the keys. B & W will likely go along with RJR; Lorillard with PM; American cannot be counted on; L & M is doubtful.

Assignment - Jim Peterson and those assisting him will keep T. I. informed and feeling congenial about the RJR effort; so they will gladly accept sponsorship of the campaign's execution.

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Completed
Decision #5 - The staff advisory group for Jim will consist of Hudnall Christopher, Ron Sustana and Dennis Durden, with Hudnall Christopher serving as secretary of the group and conduit to staff resources of RJRT.

Assignment - Hudnall (and/or Bill Hobbs) will explain the effort to Joe Sherrill and other RJRT managers who need to know.

Decision #6 - An RJRT public affairs staff needs to be developed to provide day-by-day management and direction to this RJR effort. Until this staff is fully oriented and trained in the ways of RJR, they will be an element of RJRI's Corporate Public Affairs Department. Once they are in an "all systems go" posture, this group will move into RJRT's organization. Target date is the time of RJRI's move to the new world headquarters.

Assignment - Dennis Durden will be in charge of this initial staff recruitment (2 professionals and a secretary).

Decision #7 - The first key element in RJR's campaign formulation is opinion and theme research to identify:

- a. Who are the key target groups?
- b. What are their problems?
- c. What are the most persuasive things to say to these audiences?
- d. How do we most effectively communicate our intended messages to our intended audiences?

RJR's choice of a firm to do this research will be acceptable to T. I. The long-range opinion research consultants for campaign execution will be acceptable to T. I. and the industry. As we see it today, the firm must have a strong expertise in behavioral research.

Assignment - Hudnall Christopher (and Joe Sherrill) will develop the materials necessary to approach outside consultants and get them to make proposals for this extensive research, as much as a \$300,000+ contract.

Decision #8 - Advertising will also be a key component of the campaign. BB.D. & O will work with RJR in the campaign formulation and testing effort. For long-term execution of the campaign by T. I. and the industry, more than one ad agency may be needed. Any ad agency chosen for a role in campaign execution will not have a brand relationship with any company.

Completed
Assignment - Hudnall Christopher ^{WJH} will notify Tom Dillon and Larry Light of the role we want them to play in campaign formulation.

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Decision #9 - Public relations will also be an important element in campaign formulation testing and execution. Also, T. I. will have long and short public relations needs.

Assignment - Ron Sustana will take the lead in selecting RJR's P.R. counsel during campaign formulation and testing and in recommending P.R. firms that will be acceptable to T. I. and the industry for the most effective execution of P.R. elements in the campaign after its adoption by the industry. The firm used by RJR may or may not be the one used by T. I. and the industry during execution.

Decision #10 - Stronger grassroots support will be needed for T. I.'s revitalized staff program and for Campaign '84.

Assignment - Jim Dowdell and Dennis Durden will take the lead in tailoring grassroots structures for specific program and campaign needs.

Decision #11 - An action matrix, budget, timetable, staffing plan, and work assignment schedule are needed to unify the opinion research, advertising, public relations and grassroots components into a unified Campaign '84 effort that meets all the requirements of an effective political campaign.

Assignment - The advisory group (Christopher, Sustana, and Durden) will prepare this management plan for Jim Peterson's approval by June 13, 1977.

Decision #12 - It is essential that all steps in campaign formulation testing and execution be appropriately vetted by our lawyers.

Completed
Assignment - Bill Hobbs will bring Max Crohn up to date on decisions and assignments made to date. Jim Peterson will consult Max (and Jack Roemer) as needed during campaign formulation and testing.

Decision #13 - The Tobacco Tax Council will not be brought into formulation and testing of Campaign '84. However, at a later stage of execution when the campaign moves into state-level activity, e.g., Kentucky '84, North Carolina '84, possible roles for T. T. C. in strong state efforts will be considered. Meanwhile, co-ordination between T. T. C. and T. I.'s state efforts will be intensified.

Assignment - Jim Dowdell will take the point in reactivating the T. I. - T. T. C. liaison group from which we are now receiving only 20% output. The initiative must come from T. I., and Jim will see that it does.

Decision #14 - There are important medical research efforts that must go forward, apart from, but parallel to, the major reorganization of T. I.'s state program and Campaign '84 formulation and testing. In addition to tobacco related research carried out through CTR,

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there is basic medical research to be considered along the lines of Ed Jacob's presentation to us. (This will probably be done through a separate foundation.) Further, there are other minor health related questions which should also be considered. The range of research needs is outlined on the attached matrix assignment.

Assignment - Colin Stokes has agreed to give Jack Roemer the responsibility for developing, presenting and recommending additional medical research to be financed by RJR and the industry.

Decision #15 - We need to know more about the economic committee that was recently established by The Tobacco Institute. The charter and proposed work products of this group should be fitted into an overall industry strategy.

Assignment - Jim Peterson will ask Horace for full details on the status prospects, plans and the newly formed economic committee.

* * *

The above decision digest and assignment recap conforms to my understanding of what we are doing and what is expected of me and the other persons receiving assignments.

Dennis Durden 6/20/77
Date

Ron Sustana 6/27/77
Date

F. Hudnall Christopher 6/22/77
Date

James S. Dowdell 6/23/77
Date

H. C. Roemer, Jr. Date

James R. Peterson 5-26-77
Date

Wm. D. Hobbs 5-76-77
Date

J. Paul Sticht Date

Colin Stokes Date

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