

FTC Camel Investigation

Public Relations Strategies

April 21, 1993

Background Summary:

The draft FTC complaint against R.J. Reynolds Tobacco Co. indicates possible action based on unfair or deceptive advertising practices, alleging that Camel advertising appeals to children without disclosing in a manner that will be understood by kids that nicotine in cigarettes makes smoking addictive. The basis for action is expected in part to be research published in the Dec. 11, 1991 issue of the Journal of the American Medical Association. To our knowledge, the FTC has no new information that will surprise us. Meetings and conversations between RJR counsel and FTC staff should reveal if this is not the case before action is taken. At this time, it is unclear whether or when FTC staff will forward this complaint to the commissioners for action. If forwarded, commissioners have the options of: (1) sitting on the complaint or forwarding it back to the staff for additional work, (2) issuing the complaint, or (3) not issuing the complaint and closing the investigation. While FTC investigations are confidential, it is standard practice for the staff to issue a release if a complaint is pursued. The following plan outlines tiers of response which RJR can implement depending on circumstances and media reactions. Based on the lack of reaction to the Greensboro News & Record articles, there may well be minimal response, which would not be in our best interest to escalate. If a suit is filed, we can expect to be in litigation for up to three years. This plan does not address strategies for that eventuality, which will need to be developed if required.

PR Objectives:

- To position the company as (1) welcoming a forum where facts, not emotions, prevail, (2) confident in our ability to defend ourselves if a suit is filed, and (3) having been fully cooperative with the FTC investigation.
- To provide the appropriate level of response without creating interest in the story.
- To thwart antismoking industry PR efforts by providing more authoritative research by more credible and credentialed researchers that discredits the basis on which the complaint moves forward.

Recommendation:

- Because escalation of media coverage by RJR could be perceived as an assault on the commissioners, who could retaliate with negative votes, we are recommending strategies that focus on measured responses.

PR Strategies:

- Immediate preparation for a multi-tiered response:
 - Produce statements, synopses of research, outline of Waxman/Luken/FTC actions since campaign introduced (noting no action taken from any previous investigation); reprint white papers/testimony on effect of tobacco advertising on consumption (Kacir, Rotunda, Rogers).
 - Explore feasibility and advisability of preparing a legal theories briefing paper on unintentional affects of advertising; if counsel advises doing, get produced.
 - Continue ongoing consultation with groups that supported us after JAMA articles, keeping them apprised of details and our intended responses. Give them all the tools they need to speak out for us, and continually reinforce their commitment to do so. (FAC, 4As, ANA, ACLU, Washington Legal Foundation).
 - Prepare press kits, mailing lists and overnight labels to facilitate an immediate response; box and store.
 - Obtain from researchers (Mizerski, Beales, Martin, Krumske, Dubow, Salzman of BKG, Levitt or Schafer of Marketing Evaluations) and support groups a commitment to participate in a media briefing; identify location and lay ground work if required to implement.
 - Prepare briefing paper for federal and state government relations staff use with elected officials; alert them to develop their list of calls.
 - Prepare employee communications.
- Tier 1 response: FTC issues release or there is a leak of their pending action, normal media interest.
 - Issue news wire statement on RJR position, offer synopses of research.

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- In response to media calls, reiterate RJR position and provide synopses of research that contradicts JAMA conclusions.
- Alert support groups to potential media calls, refer media as judged appropriate.
- Gauge media response.

If little interest (given lack of interest in Catanoso story that is a likely possibility), limit to issued response.

If interest is substantial, move to tier 2 response, as outlined below.

- Tier 2 response: FTC/antis launch a major campaign generating substantial media interest:
 - Immediately overnight pre-prepared press kits to Camel mailing list with statement and a synopsis of each of the research studies, white papers/testimony on advertising effects on consumption and legal briefing paper (if prepared).
 - Put press kit contents on PR NewsWire and Business Wire, and have RJRN deliver to key reporters, news services in NYC, D.C. office deliver to key reporters, news services in Washington.
 - If considered appropriate by executive management, hold a media briefing in Washington or New York ASAP with all researchers and support groups to (1) give broadcast media good sound bites (2) outline their research and (3) answer reporter questions. Attendees would include major reporters/editorial writers.

Set up phone transmissions for editorial boards not able to attend, provide satellite link for TV stations and videotape the briefing to provide as follow-up to reporters/ed boards at less major press afterward.

Offer major press (NYT, Washington Post, WSJ, USA Today) any follow-up that they require, including one-on-one with advertising expert (possibly Jaffe) or researchers.

- Tier 3 response: If the Commission votes to forward out a complaint and file suit, release ads stating RJR's position to key print media and a video news release to national networks. Mail a DM version of the advertising to all Camel smokers on the database.

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