



July 3, 1989

Mr. Joel Silverstein
B&W Japan

Dear Joel:

Thanks for sending the comments from RJR and Rothman on the JTI proposal. My comments are attached and deal with each of the items as they appear in the proposal. In many cases, I have no comment. In others I do, and they are shown on the attached document.

Overall, I have no real disagreements with what the JTI document says. Some very broad comments are:

Sampling:

The JTI proposal tells the manufacturer's how they should sample their cigarettes. I really do not think that is necessary, or even desirable, because all of the manufacturer's sample their cigarettes differently. Basic to each one of them, however, is the randomness of the samples that they take.

No problems with how the JTI proposes to sample cigarettes in the Japanese market. Again, random representative samples is what is required.

Smoking Methodology:

The smoking methodology is essentially what we agreed on in Tokyo in May. Again, I do not believe that weight selection and pressure drop selection of cigarettes is necessary.

Basic Framework:

Apparently, JTI has agreed on self-certification which is, of course, what we want to do.

Test of Labelled Figures:

The only question I have on this section concerns the fact that they intend to test only 20% of the brands each year. This means that there are a lot of brands out there that will not be tested. If they intend to cover the entire market in a period of five years, then there will be brands on the market for four years whose tar and nicotine deliveries are not really known except by what the manufacturer puts on the cigarette packages and in other advertising. This could be erroneous.

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Another question under this section is how differences between manufacturers' nicotine/tar figures and those of the measuring lab in Japan would be resolved. The document really does not say how to resolve those differences. I do not understand what they mean by re-calibrating equipment.

Handling of New Products and Change of Products:

Introduction of new products with tar and nicotine figures is clear. It appears that when we need to change a product, it is fairly simple to do. I think we just need to make sure that we have enough lead time to make changes.

I hope these comments are useful to you and to the other cigarette manufacturers, and JTI in Japan in producing a document that we can all agree to. I look forward to seeing you again when we work out the final details on tar/nic verification in Japan.

Regards,



J. F. Nall

JFN/dkh

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Attachments

cc: M. L. Reynolds
H. C. Woertz, Jr.

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RESPONSE TO JTI T/N PROPOSAL

Listed below are my comments on the JTI Proposal. My comments follow the same items, line by line, as they appear in the JTI document.

1. Method of sampling cigarettes for the measurement of nicotine and tar in smoke.

- 1) Sampling of cigarettes for NT measured by cigarette manufacturers.
Comment: The sampling procedure in this document does not provide for those cigarettes not manufactured six times per year. Wording should be changed as follows: Cigarette manufacturers will sample cigarettes of each brand from their own cigarette stocks for NT measurement at least six times per year for those cigarettes regularly produced. For cigarettes not produced on a regular basis at least 20 packages (400 cigarettes) should be sampled over the entire batch as they are produced. 20 packages (400 cigarettes) per brand will be sampled each time at random.

2. No Comment.

2. Conditioning of cigarettes for NT measurement

No Comment.

3. Selection of cigarettes for NT measurement

Comment: I do not think it is necessary to weight select and pressure drop select cigarettes prior to smoking.

4. Method of measuring nicotine and tar in smoke

Comment: This section is in accordance with the Iso procedure and the agreement that we reached in Tokyo in May of this year. There may be some procedural differences here, but as long as the smoking procedures used by the laboratory follow good analytical practices, I do not see any real problem here.

One change to #8) Calculation of the quantity of tar contained in smoke. The quantity of tar in smoke, per cigarette, will be calculated by subtracting the quantity of water and nicotine from the quantity of TPM.

5. Summary of data

Comment: It appears that manufacturers can report tar to a whole number and nicotine to a tenth of a decimal. However, the laboratory in Japan will report tar to 1/10 and nicotine to 1/100. It is not clear why or how these more precise values would be used, if at all.

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NT MEASUREMENT LABEL ON PACKAGE

I. Basic Framework

- (1) No Comment
- (2) Comment: JTI apparently has agreed to "Self-certification" which was a point for discussion in Tokyo. "Self-certification" means - Companies would use their own measurement and data to put the figures on advertising and packages. It is curious to me that this document states that there shall be no specific legal prescription as to the size i.e. space occupied, location, or color of the label.
- (3) Comment: The manufacturers' NT measurements should be based on the agreed method of measurement, with which we have no problem.
- (4) No Comment
- (5) No Comment

II. Test of labeled figures (To be stipulated by Cabinet Order and Ministerial Ordinances.)

- (1) Comment: 20% of the brands on sale in the Japan market will be tested six times each year or more often/or more brands as determined by the Ministry of Finance. If only 20% of the total brands on sale in Japan is to be tested each year six times per year, that means that some brands could be out there for a period of 5 years or maybe even more and never be tested for tar and nicotine. I really don't think this is a good idea. I understand the motivation which is compacity of the smoking lab. But because some brands could be out there for 5 years and never be tested for tar and nicotine, those brands could have totally erroneous tar and nicotine advertisements relative to the actual tar and nicotine deliveries of the cigarettes and nobody would ever know it.
- (2) Comment: Once again, this section provides that the measuring institution in Japan will report annual nicotine average to 1/100 of a decimal and tar to 1/10. This is different from what is done in the United States and other countries. I presume that packages will contain tar to a whole number and nicotine to 1/10, just as in the U.S. and other countries. I am not really sure what the TIOJ will do with the nicotine and tar figures that are reported to 1/100 and 1/10 respective.

(3) Comment: Provides for a permissible range of +/- 15% in measured value relative to the printed value. This is as we agreed in Tokyo in May. This section also provides that if differences are found, that the Ministry of Finance would notify the manufacturer and then the manufacturer would notify the Ministry of Finance the date when that manufacturer would start manufacturing at the new label NT figures. NT figures would be reported in April of every year and manufacturers would be given six months from receipt of that report to modify their advertising and packaged NT figures. The older labeled products would not have to be recalled from the field.

(4) Comment: Manufacturers who want to object to the NT figures generated by the Ministry of Finance have to notify the Ministry of Finance of their objection within one month of receipt of their data. I don't understand this next part which reads: In such case, the Minister of Finance may order the Measuring Institution to calibrate the equipment used for measuring or re-measure the reserved cigarettes. I don't understand what they mean by recalibrate the equipment.

Comment: This section dealing with objections by manufacturer does not say how that difference or objection will be resolved and in what period of time it will be resolved. I think that is something that we need to talk about when we get to Japan.

III. Handling of new products or products whose standard/specifications have been changed ("re-standardized products") (To be stipulated by Cabinet Order or Ministerial Ordinances.)

(1) No Comment

(2) Comment: When the manufacturer wants to change his product, (change - change the existing NT figures) he merely has to indicate such to the Ministry of Finance before the product is introduced. I presume that the manufacturer could leave his old product out there just as was provided in earlier issue here. That is, that he would not have to recall product having the old tar/nic figures on it.

IV. Operation of Measuring Institution at TIOJ

(1) Comment: NT measurements will be conducted in the currently available measuring facilities, instruments, etc. I'm not really sure what this means. I don't think it means that these measurements would be carried out in the laboratory that is in the JTI facility right now. I think we might be missing something in interpretation here.



- (2) Comment: Provides that Ministry of Finance will bear the expense of this testing. But then the alternative says that if the Ministry of Finance does not want to bear those expenses, then it will be the expense of each manufacturer according to the number of brands sold in Japan during the previous year.

V. Schedule of Enforcement

- (1) Comment: The date of initial labelling is April 1, 1990. My understanding now is that this has been pushed back to August of 1990.
- (2) No Comment
- (3) No Comment
- (4) No Comment

VI. Dissemination of Necessary Information

Comment: TIOJ would ensure that some kind of league tables, I presume, would be available to the public. If league tables are produced, this may be where the tar and nicotine figures to 1/10 and 1/100 respectively, may be used. It is unclear to me how those tar/nic figures would really be used.

VII. Other Matters

- (1) No Comment
- (2) No Comment