

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the William J. Clinton Presidential Library Staff.

Collection/Record Group: Clinton Presidential Records
Subgroup/Office of Origin: Office of Science and Technology Policy
Series/Staff Member: Jerold Mande
Subseries:

OA/ID Number: 13037
FolderID:

Folder Title:
Tobacco Groups: ENACT [Effective National Action to Control Tobacco]

Stack:	Row:	Section:	Shelf:	Position:
S	66	4	3	3

**Effective
National Action
to Control Tobacco**

ENACT

**A Public
Health Coalition**

CAMPAIGN For TOBACCO-FREE Kids

Kathryn Kahler Vose
DIRECTOR, COMMUNICATIONS

NATIONAL CENTER FOR TOBACCO-FREE KIDS
1707 L STREET, NW • SUITE 800 • WASHINGTON, DC 20036
PHONE (202) 296-5469 • FAX (202) 296-5427
E-MAIL kkahlervose@tobaccofreekids.org

ENACT

Effective National Action to Control Tobacco

-- A Public Health Coalition --

American Academy of Family Physicians
American Academy of Pediatrics
American Cancer Society
American College of Chest Physicians
American College of Preventive Medicine
American Heart Association

American Medical Association
Association of State & Territorial
Health Officials
Campaign for Tobacco-Free Kids
National Association of County
and City Health Officials
Partnership for Prevention

ENACT News Conference

October 1, 1997

Speaker List (in order of appearance)

Randolph D. Smoak, Jr., M.D.

Vice Chair

American Medical Association Board of Trustees

John R. Seffrin, Ph.D.

Chief Executive Officer

American Cancer Society

Michael C. Caldwell, M.D., M.P.H.

Board Member and Tobacco Committee Chair

National Association of County and City Health Officials

Ronald Davis, M.D.

Director, Center for Health Promotion and Disease Prevention

Henry Ford Health System/Member, Partnership for Prevention

Fellow

American College of Preventive Medicine

###

P.O. Box 65168
Washington, DC 20035
Phone: (202) 293-1405

American Medical Association

Physicians dedicated to the health of America



Randolph D. Smoak, Jr., MD
Secretary-Treasurer
American Medical Association

Randolph D. Smoak, Jr., MD, a surgeon from Orangeburg, South Carolina, was elected Secretary-Treasurer of the American Medical Association (AMA) in December 1995. He has been reelected to a second term on the AMA Board of Trustees in June 1995. Since 1994 Dr. Smoak has served on the Board's Executive Committee and as chair of its Finance Committee. A member of the Board since 1992, he had served as secretary-treasurer of the AMA Physicians Health Foundation from 1992 to 1993. Since 1993 Dr. Smoak has served as chair of the Board's Subcommittee on Membership, and since 1994 he has represented the AMA on the National Health Council. He continues his service in both of these capacities. As lead spokesperson for AMA's anti-smoking campaign, he represents the AMA on the Department of Health and Human Services' Interagency Committee on Smoking and Health. In addition, he is currently an AMA commissioner to the Joint Commission on Accreditation of Healthcare Organizations (JCAHO).

Prior to his service on AMA's Board of Trustees, he served as alternate delegate to the AMA House of Delegates for the South Carolina Medical Association (SCMA) in 1983, and as delegate in 1987. Serving on the AMPAC Board since 1984, he was elected secretary in 1986 and chair in 1988. He had worked with the Council on Legislation as the AMPAC observer since 1988.

Dr. Smoak's dedication to organized medicine has been evident through his years of service on the state level. Since being elected to the SCMA Board of Trustees in 1972, he has served in virtually every leadership position including president, SCMA; chair, SCMA; chair, South Carolina Political Action Committee; president, SCMA Members' Insurance Trust; and president, South Carolina Medical Care Foundation. Dr. Smoak is a founding member of the South Carolina Oncology Society and is currently serving as Governor from South Carolina to the American College of Surgeons. He is also an active member of the Southeastern Surgical Congress, the Southern Society of Clinical Surgeons, the Society of Head & Neck Surgeons, the South Carolina Surgical Society and the South Carolina Chapter of the American College of Surgeons.

Born in Bamberg, South Carolina, Dr. Smoak received his BS degree from the University of South Carolina (USC) and his MD degree from the Medical University of South Carolina (MUSC). He served his internship at Grady Memorial Hospital in Atlanta, Georgia, and completed his residency training at the Medical University of South Carolina. Dr. Smoak completed a senior surgical fellowship at MD Anderson Hospital and Tumor Institute in Houston, Texas. He then returned to his home state to establish a surgical practice.

Dr. Smoak is a fellow of the American College of Surgeons and a diplomate of the American Board of Surgery. He is a clinical professor of surgery at MUSC and clinical associate professor of surgery at the USC School of Medicine. He is the past chair of the Department of Surgery at the Orangeburg Regional Medical Center.

Dr. Smoak's involvement in civic activities includes service as president, South Carolina Division of the American Cancer Society; Lt. Governor, Kiwanis Club; Board of Directors, Orangeburg County Chamber of Commerce; and Board of Directors, Orangeburg Chapter of the American Red Cross. He has also served on the Cancer Advisory Committee of the South Carolina Department of Health and Environmental Control and as chair of the Statewide Health Coordinating Council.

Dr. Smoak and his wife, Sandra, have four daughters and reside in Orangeburg, South Carolina.



JOHN R. SEFFRIN, PHD
Chief Executive Officer
American Cancer Society

Biography

John R. Seffrin, PhD, is the Chief Executive Officer of the world's largest voluntary health organization, the American Cancer Society. He is also a Trustee of the Society's Foundation.

Prior to being named the American Cancer Society's top staff executive in 1992, Dr. Seffrin was Professor of Health Education and Chairman of the Department of Applied Health Science at Indiana University. During his years in academia, he distinguished himself as a national and international leader in health education, disease prevention, and public health.

As a 20-year ACS volunteer, Dr. Seffrin served the Society at local, state, and national levels. He chaired the Society's Indiana Division Board of Directors and was Chairman of the National Board from 1989 to 1991.

An Indiana native, Dr. Seffrin is listed in Who's Who in America. He has also been recognized with high honors by two Indiana governors for his outstanding public service contributions and was awarded an honorary Doctor of Science degree from his undergraduate alma mater, Ball State University.

Dr. Seffrin has served on the Boards and Committees of a number of other public service and governmental agencies, and he is a past Vice President of the American Lung Association's National Board of Directors. In addition to serving on the US Surgeon General's Advisory Committee on Smoking and Health, he has also provided consultant services to a number of agencies, including the US Centers for Disease Control and Prevention.

A sought after speaker, Dr. Seffrin has spoken on public health issues throughout North America, Australia, Europe and Asia. He is the author of a number of scientific and professional articles and book chapters, and he was selected by the Association for the Advancement of Health Education as its National Scholar for 1996 -- which is this professional society's highest honor.

He was recently appointed to the new National Cancer Policy Board, which was formed by the National Academy of Sciences to advise our country on policy issues regarding cancer research and control.

1997

**RONALD M. DAVIS, MD, FACPM
DIRECTOR
CENTER FOR HEALTH PROMOTION & DISEASE PREVENTION
HENRY FORD HEALTH SYSTEM
ONE FORD PLACE, 5C
DETROIT, MI 48202
TELEPHONE: 313/874-6276**

Ronald M. Davis, MD, FACPM became the director of the Center for Health Promotion and Disease Prevention of the Henry Ford Health System in September 1995. From 1991-1995, he served as Chief Medical Officer in the Michigan Department of Public Health. From 1987 to April 1991, Dr. Davis served as the director of the U.S. Centers for Disease Control's Office on Smoking and Health. He completed the Epidemic Intelligence Service program and the preventive medicine residency program at CDC, received his MD and Master of Arts degree in Public Policy Studies from the University of Chicago and a Bachelor of Science degree from the University of Michigan. Dr. Davis was elected as the first resident physician member of the American Medical Association's Board of Trustees and served in that capacity from 1984 through 1987. He was elected to the AMA Council on Scientific Affairs in June 1993 and became chair of the Council in June 1997.

Dr. Davis has published widely in peer-reviewed journals and has received many awards and honors, including the Surgeon General's Medallion and the American Public Health Association's Jay S. Drotman Memorial Award. He is a member of the World Health Organization's Technical Advisory Group on Tobacco or Health and is the editor of *Tobacco Control: An International Journal*, which was launched by the British Medical Association in March 1992. Dr. Davis is a fellow of the American College of Preventive Medicine and he is the College's alternate delegate to the AMA House of Delegates; the Henry Ford Health System is a member of Partnership for Prevention.

Biographical Narrative of

Michael C. Caldwell, MD, MPH

Dutchess County Commissioner of Health

Dr. Michael C. Caldwell became Commissioner of the Dutchess County Department of Health on August 8, 1994. He oversees the health of 260,000 people over an 800 square mile area with 150 employees and a budget of \$25 million. One of the youngest physicians ever to be appointed Health Commissioner in the United States, he received his Baccalaureate Degree in Art History from Columbia University in 1986 and his Medical Degree from the Mount Sinai School of Medicine in 1990. Dr. Caldwell then completed an Internal Medicine Residency at the Mount Sinai Medical Center in 1993. He received his Masters of Public Health Degree from Harvard in 1994 and is Board Certified in Internal Medicine.

His numerous awards and honors include: **1996 and 1997 NY State Health Department *Public Health Education Awards*** ; a David Scherf Cardiology Award from the New York Academy of Medicine; and being chosen as the Honorary Chairperson for the *Great American Smokeout* by the Dutchess County Chapter of the American Cancer Society. He is a **Board member** of the **National Association of County and City Health Officials (NACCHO)** and also Chairs their **Tobacco Prevention & Control Committee**. He continues to see patients regularly as a physician at the Castle Point Veterans Administration (VA) Hospital in Dutchess County.

Since becoming Commissioner of Health, Dr. Caldwell has participated in a nationwide ***Lyme Disease Research Vaccine Trial*** and an investigational ***Herpes Vaccine Trial***. He chairs the Dutchess County ***HIV/AIDS Primary Care Task Force***, overseeing a federal Ryan White Funding Grant and has recently formed a local ***Violence Prevention Coalition*** which focuses on the public health approach to violence. He is a member of the Board of Directors of the Dutchess County Chapters of: the *American Cancer Society*, the *American Heart Association* and *Big Brothers/Big Sisters*. Dr. Caldwell holds academic appointments at the Harvard and Columbia Schools of Public Health and the Mount Sinai School of Medicine and is a **Fellow** of the **New York Academy of Medicine**.

He is married to Dr. Maryanne Wysell, a Rheumatologist and they have one son Brian Anthony who was born in March 1995 and are expecting their second child in January 1998. Dr. Caldwell enjoys musical theater, playing the guitar and singing in his spare time.

News Release



American Academy of Family Physicians
The doctors who specialize in you

8880 Ward Parkway ♦ Kansas City ♦ MO 64114-2797
WATS (800) 274-2237 ♦ Phone (816) 333-9700
♦ Fax (816) 822-8857 ♦ E-Mail: fp@aafp.org
♦ <http://www.aafp.org>

HOLD FOR RELEASE
9:00 AM EDT, October 1, 1997

CONTACT: Sarah Thomas
800-274-2237, ext. 4200

AMERICAN ACADEMY OF FAMILY PHYSICIANS TAKES ROLE IN HEALTH COALITION TO REDUCE AND CONTROL TOBACCO USE

AAFP Aims to Reduce Smoking for Children and Adults

(Washington, D.C.) The American Academy of Family Physicians (AAFP) today announced that it is joining 10 other major public health groups to form ENACT: A Public Health Coalition. ENACT (Effective National Action to Control Tobacco) will work with the Administration and Congress to enact legislation that will create the nation's first comprehensive program to prevent and dramatically reduce tobacco use among children and adults.

"We have an incredible opportunity to create a national program that will establish real goals and real penalties for the tobacco companies if they fail to reduce tobacco use," said Neil Brooks, MD, AAFP President. "It's more important that the nation get a strong tobacco settlement rather than a quick one."

The AAFP has been a leader in discussions with Congress, the Administration and with other health care leaders on the elements of a strong tobacco control policy, including participation in the Advisory Committee on Tobacco Policy and Public Health chaired by Drs. Koop and Kessler.

The physician group believes that the current settlement will do little to reduce overall smoking in America because it fails to address adult tobacco use and does not penalize the industry adequately for missing youth tobacco use goals. In addition to efforts to curb teen smoking, an acceptable settlement must also include financial penalties against the tobacco industry if adult smoking rates do not decline.

"The current proposed settlement allows the tobacco industry to shift advertising and marketing practices from children to young adults," said Brooks. "That is unacceptable -- and in order to prevent this from happening, we must set specific goals for the reduction of adult tobacco use."

The AAFP has been involved in tobacco education and cessation efforts for much of its 50-year history. Through its "Tar Wars" program, family physicians throughout the United States have educated tens of thousands of school-aged children about the dangers of tobacco, and have helped them think critically about tobacco advertising.

###

The American Academy of Family Physicians (AAFP) represents more than 84,000 family physicians, family practice residents and medical students nationwide. Family physicians are medical specialists trained to treat the medical problems of patients of all ages and both sexes.



News Release

CONTACT: Marjorie Tharp
Gem Benoza
202/347-8600; 800/336-5475

For Release: October 1, 1997
9 a.m. (EST)

PEDIATRICIANS HELP FORM TOBACCO CONTROL COALITION

Washington, D.C. -- The American Academy of Pediatrics, representing 53,000 pediatricians, joined 10 other public health organizations today in announcing the formation of ENACT, a coalition that will work with the Administration, Congress and the public to help shape and pass comprehensive tobacco control legislation as soon as possible.

"We believe a united public health community, with its resources dedicated and coordinated, will help finish the job so many health professionals have worked for decades to achieve," AAP President Robert Hannemann, M.D., said. "ENACT is going to be an efficient and effective tobacco control coalition."

The American Academy of Pediatrics has had a long-standing commitment to reducing tobacco use among adolescents and children. A few key policy issues for the Academy include marketing prohibitions, price increases, public health initiatives and secondhand smoke hazards, all of which are a part of ENACT's legislative agenda. ENACT stands for Effective National Action to Control Tobacco.

"We'll meet with legislators, talk to parents and their children, hold community events, work with local media -- anything within our means to achieve our goal," Dr. Hannemann said.

###

The American Academy of Pediatrics is an organization of 53,000 primary care pediatricians, pediatric medical subspecialists, and pediatric surgical specialists dedicated to the health, safety, and well-being of infants, children, adolescents and young adults.

Note to Editors: The American Academy of Pediatrics will focus its Child Health Month activities this October on tobacco prevention.



GOVERNMENT RELATIONS OFFICE

STATEMENT BY JOHN R. SEFFRIN, PH.D., CHIEF EXECUTIVE OFFICER,
AMERICAN CANCER SOCIETY, INC.

Made at a press conference announcing the formation of ENACT - A Public Health Coalition
at the National Press Club, Washington, DC
October 1, 1997

It is an honor to join my colleagues here today to announce the formation of ENACT - A Public Health Coalition. Eleven national public health organizations, representing millions of volunteers, members and staff, have formed the coalition to help enact comprehensive, sustainable, effective, well-funded tobacco control legislation. The coalition will build upon decades of work by the public health community, the 1996 assertion of jurisdiction over tobacco by the US Food and Drug Administration, the principles outlined in the recent Koop-Kessler report, and the June 20th agreement negotiated by the state Attorneys General and the tobacco industry to ensure that legislation is passed by a bipartisan Congress and signed into law by President Clinton.

The commitment made by all eleven organizations to come together to pass legislation as significant as this is unprecedented. By sharing resources we can educate the public about the need for a national tobacco control policy. By joining forces we can activate millions of public health advocates across the country. By uniting, we can overcome any obstacle we face to take advantage of this historic opportunity.

Uniting our coalition is a consensus statement which clearly states the elements that we believe must be a part of any tobacco control legislation for it to be effective. The elements include:

- Full FDA authority over all tobacco products and nicotine delivery systems.
- Tough penalties against the industry if tobacco use among children does not drop substantially.
- Significant price increases on the cost of tobacco products.
- No marketing aimed at children.
- Broad disclosure of industry documents.
- Provisions to ensure that federal law does not preempt more restrictive state and local laws.
- Support for a variety of public health initiatives.
- Funding for implementation of international tobacco control initiatives.
- Protections from secondhand smoke hazards.
- Help for tobacco farmers and their communities.

We promise the American people that we will use the strength of our coalition to defeat our opposition and get tobacco control legislation that includes our key elements passed.

FOR IMMEDIATE RELEASE : October 1, 1997

Contact: Lynne G. Marcus
Vice President, Membership & Public Affairs
(847) 498-1400

*ACCP Vision: The College is the leading resource for the improvement in
cardiopulmonary health and critical care worldwide.*

*ACCP Mission: To promote the prevention and treatment of diseases of the chest
through leadership, education, research and communication*

The American College of Chest Physicians (ACCP) is a not-for-profit organization of over 16,000 physicians, allied health professionals, and individuals with PhD degrees in the United States and internationally. The ACCP provides continuing medical education in the specialties of pulmonology, cardiology, cardiovascular and cardiothoracic surgery, hypertension, critical care medicine, and related disciplines.

Since 1960, the ACCP has been a leader in antismoking activities. In response to the alarming increase in lung cancer cases seen by our members, the ACCP published a statement in *CHEST*, the official journal of the College, emphasizing the need to find the causative agents of lung cancer. Smoking is cited as a probable cause. After several years of studying the effects of cigarette smoking on the respiratory and cardiovascular systems, the Committee on Lung Cancer of the ACCP passed a resolution urging the US Surgeon General to study the health aspects of smoking. In 1965, prompted by the ACCP and other medical society efforts to provide conclusive medical evidence on the harmful effects of cigarette smoking, Congress passed the bill requiring the Surgeon General's warning label to be printed on all cigarette packages.

These activities were soon followed by a symposium titled "Cigarette Smoking: The Physician's Role and Benefits of Cessation", in 1971, adoption of no smoking policy for ACCP educational meetings in 1972, and adoption of a no smoking pledge in 1979 which is still taken by all Fellows of the College. The ACCP also played a key role in the passage of federal legislation on February 25, 1990, banning smoking on domestic flights within the continental US, Puerto Rico and the Virgin Islands. In 1991 the ACCP filed an *amicus curiae* brief in the US Supreme Court in support of Rose Cipollone in *Cipollone vs. Liggett Group, Inc.* In 1994, the ACCP co-authored the "International Consensus Statement on Smoking or Health" published in *CHEST* and other medical journals, representing international agreement among medical organizations relating to the addictive nature of smoking, the relationship between smoking and disease, the role of physicians relating to smoking, and the need to oppose expansion of the international tobacco market. The ACCP also took a leading educational role in *Mississippi v. The American Tobacco Company, et al.* providing the Courts medical evidence on the addictive nature of tobacco, and in 1996 submitted an *amicus curiae* brief to the Mississippi Supreme Court in support of the Attorney General's case. In 1997, the ACCP participated on the Advisory Committee on Tobacco Policy and Public Health co-chaired by Drs. C. Everett Koop and David Kessler, and the AMA Task Force on the Proposed Tobacco Settlement Agreement.

With this 30-year history of anti-smoking activities, the ACCP is committed to building on its work and the work of other public health groups to dramatically reduce the use of tobacco products among children and adults. The ACCP believes it is of major importance to the health of our children, especially to those Americans who are not yet addicted to nicotine, and not yet our patients, to move quickly to make the most of this historic opportunity.

ACCP supports President Clinton's initiatives. ACCP is committed to work to strengthen the resolve of Congress to act responsibly at this important time in the history of tobacco's influence on the nations health. The ACCP now joins with the other members of ENACT to support an effective national policy on tobacco control. The time to ENACT such a program is now.

###

PRESS RELEASE

Embargoed until 9:00am
October 1, 1997

Contact: Hazel Keimowitz or Suzy Leous
202-466-2044

ACPM CONTINUES TOBACCO CONTROL EFFORTS; JOINS "ENACT"

Washington, DC -- Today the American College of Preventive Medicine (ACPM) joins with ten other public health organizations in the formation of a new tobacco control coalition called ENACT (Effective National Action to Control Tobacco). By signing the consensus statement which formalizes the call for bipartisan, comprehensive, sustainable, effective and well-funded legislation, ACPM pledged its staff, members and scientific expertise to assist in the enactment of the best possible tobacco control policy.

ACPM fellow Ronald Davis, MD, FACPM, who assisted both the ACPM and the American Medical Association (AMA) with their responses to the June 20th agreement between the state Attorneys General and the tobacco industry, spoke on behalf of ENACT at a press conference in Washington, DC, announcing the coalition. Referring to recent polling data, Davis added "It is clear that the American people support tough tobacco policy designed to protect children and adults." By incorporating FDA's full authority to regulate tobacco, placing tough penalties on the tobacco industry if tobacco use among children is not reduced, greatly increasing tobacco advertising and promotion restrictions, and encouraging a commitment to international tobacco concerns, ACPM is in lock step with several other organizations working to represent these and other important tobacco related issues on Capitol Hill.

ACPM President Jonathan Fielding, who has participated in several ENACT organizational meetings, commented, "Without legislation, we will not have the large increase in tobacco product prices that reduce demand nor the billions for an anti-tobacco mass media campaign, for cessation activities, for expansion of state and broad based community anti-tobacco efforts, and for enforcement of FDA regulations to limit youth access to tobacco. ENACT has an historic opportunity to work with Congress and the Administration, as well as with the entire public health community and the American people, to craft tobacco control policy which invests industry dollars to use proven approaches to reduce smoking, primarily in youth but also in adults. That is what we owe to our children and their children. We challenge Congress to join us in achieving this goal."

The American College of Preventive Medicine is the national medical society of physicians whose primary interest and expertise are in disease prevention and health promotion, areas vital to protecting and improving the nation's health. Specialists in preventive medicine are uniquely trained in both clinical medicine and public health. They have the skills needed to understand and reduce the risks of disease, disability and death in individuals and in population groups.

###

**For Release:
October 1, 1997**

**Contact:
Trish Moreis (202) 785-7900**

**STATEMENT OF THE AMERICAN HEART ASSOCIATION ON
JOINING A PUBLIC HEALTH COALITION
TO ENACT COMPREHENSIVE TOBACCO CONTROL LEGISLATION**

The American Heart Association has joined a number of public health groups to form the coalition ENACT (Effective National Action to Control Tobacco). By joining this coalition, the AHA has committed its more than 4 million volunteers to working with Congress and the Administration to pass comprehensive national tobacco control legislation.

The American Heart Association has made eliminating the health hazards of tobacco a priority for many decades. Current estimates for the United States are that 26.0 million men and 23.1 million women are smokers, putting them at increased risk for a heart attack. Nearly one fifth of all cardiovascular deaths -- approximately 190,000 -- are attributable to smoking. In addition, an estimated 4.2 million adolescents aged 12 to 17 are smokers.

The Coalition has pledged to support the following principles as comprehensive national tobacco control legislation is developed: full FDA authority to regulate tobacco, tougher penalties for the tobacco industry, price increases on tobacco products, no marketing to children, disclosure of tobacco industry documents, no preemption, public health initiatives, international leadership, secondhand smoke, and protection of tobacco farmers and their communities. In addition, the AHA believes strongly that any national tobacco control legislation must not grant immunity for past criminal wrongdoing to tobacco companies or their agents.

The American Heart Association remains steadfast in its efforts to hold the tobacco industry accountable for the death and disability it has caused. We are committed to assuring that the Congress and regulatory agencies enact appropriate measures to correct past wrongdoing and protect the health of children and adults.

American Medical Association

Physicians dedicated to the health of America



Statement

FOR IMMEDIATE RELEASE

October 1, 1997

Statement attributable to:

Randolph Smoak, Jr., M.D.
AMA Vice Chair

AMA PROUD TO BE PART OF ENACT COALITION

Pledges to lobby vigorously for national tobacco control legislation

"The American Medical Association is proud to be here today to announce its active participation in the ENACT -- Effective National Action to Control Tobacco -- Coalition.

"The tobacco industry's bullying power to stall anti-tobacco legislation is legendary. The AMA comes together today with 10 other prestigious public health groups to build a coalition whose power comes from millions of voices firmly united against the scourge of tobacco death and disease -- and firmly united for bipartisan tobacco control legislation.

"The poll released today shows that we will not be alone: the public wants what we want. We are confident the voices of citizens from coast to coast will join with ours to let Congress know that we are serious about stopping tobacco's toll on our nation.

"Through the work of many people on the front lines of the fight against tobacco, we have made tremendous progress in the battle to save lives and protect children from tobacco addiction. We will use this progress we've made as a springboard toward legislation that will do much, much more.

"As physicians, we see too often the suffering and death caused by tobacco, and we are here today to prescribe a cure: the cure for a country suffocating from the ills of tobacco is a strong national tobacco control policy -- now.

"Since the announcement of the tobacco settlement, almost 300,000 children have taken their first puff. As physicians, we do what it takes to save lives. Each day we delay action on a national tobacco control policy, we risk not one life -- but thousands."

#

For more information, please call:

**Brenda L. Craine
AMA Washington Office
202/789-7447**

1101 Vermont Avenue, NW
Washington, DC 20005
202 789-7400

CAMPAIGN For TOBACCO-FREE Kids

NATIONAL CENTER FOR TOBACCO-FREE KIDS

Statement of Bill Novelli President

We are proud to join with other public health leaders in forming ENACT, and unifying behind the common goal of enacting into law a comprehensive national tobacco control program. The unity of these leading public health groups sends a powerful message of our commitment to action. We look forward to attacking the epidemic of youth smoking in America through our combined resources.

Through ENACT, we will work closely with the American people, Congress and the President to seize the opportunity that exists to pass historic tobacco control legislation. Working together, we will seek a legislative solution that truly reduces both youth and adult smoking rates and reduces the dangers of second-hand smoke.

We join with the other members of ENACT in embracing the principles outlined by President Clinton to accomplish this goal. We are now committed to working toward the enactment of legislation that finally saves lives and protects children from tobacco.

###



440 FIRST STREET, NW, SUITE 450
WASHINGTON, DC 20001
(202) 783-5550 (202) 783-1583 (FAX)

NATIONAL
ASSOCIATION OF
COUNTY & CITY
HEALTH OFFICIALS

LOCAL PUBLIC HEALTH OFFICIALS URGE NATIONAL TOBACCO CONTROL LEGISLATION

The National Association of County and City Health Officials (NACCHO) supports an effective, comprehensive national policy on tobacco products as a vital tool for improving the health of people in the United States. The proposed settlement negotiated between the state Attorneys General and the industry and President Clinton's commitment to federal legislation have provided an opportunity and a foundation for establishing a national policy that includes measures to prevent youth from beginning to use tobacco, decrease consumption by adults, and reduce the hazards of environmental tobacco smoke.

NACCHO urges enactment of legislation providing for the full range of available public health tools to reduce the massive toll tobacco takes on the nation's health. These include community-based public health education, smoking cessation programs, enforcement of prohibitions on sales to children, bans on marketing and advertising designed to appeal to youth, restrictions on tobacco use in workplaces and public areas, and reduction of demand through substantial price increases. Federal legislation must explicitly ensure that local and state governments are free to enact or retain tobacco control laws that are more stringent than any minimum federal requirements.

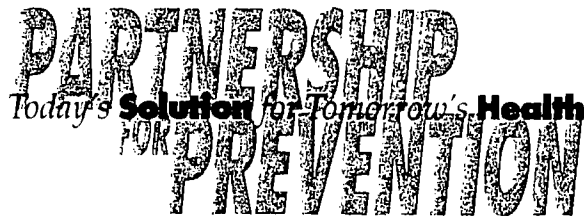
Effective national tobacco control legislation must provide for full jurisdiction of the Food and Drug Administration over all tobacco products, ingredients, and devices that deliver nicotine, so that the agency may regulate them under the same standards and procedures applicable to all other substances. Tobacco companies must be given powerful financial incentives to discourage youth tobacco use and to reduce it measurably. NACCHO also believes that each tobacco company must be required, without limitation, to disclose promptly and fully all company documents relating to the health effects of tobacco products and their ingredients.

NACCHO is the primary national organization representing the health officials who direct the 3,000 local public health departments in the United States. They are charged with promoting and protecting the health of people in their communities. They work in partnership with community members on the front lines of America's tobacco prevention and control efforts. NACCHO joins ENACT in seizing the opportunity before our nation to decrease the use of tobacco, the single greatest preventable cause of premature death and disability.

October 1, 1997

Contact: Donna B. Grossman
202-783-5550





October 1, 1997

William L. Roper, MD, MPH, *Chair*
Jonathan E. Fielding, MD, MPH, MBA, *Vice Chair*
Donald M. Vickery, MD, *Secretary*
John R. Seffrin, PhD, *Treasurer*

The Honorable Richard S. Schweiker, *Chairman Emeritus*

Jordan H. Richland, MPA, *Executive Director*

Contact:

Jud Richland
Kelly O'Brien Yehl
(202) 833-0009

***PARTNERSHIP FOR PREVENTION* URGES CONGRESSIONAL
ACTION ON TOBACCO CONTROL**

Washington, DC --*Partnership for Prevention* joined today with ten of the nation's leading public health organizations to announce the formation of a new coalition called "ENACT" and to urge Congress to pass comprehensive legislation to control tobacco.

"We pledge to work with our ENACT colleagues to mobilize Congressional action that reflects the public health values set forth in the ENACT consensus statement," said *Partnership* Chairman William Roper, MD, MPH.

According to Roper, *Partnership for Prevention* believes that any legislation must have a high likelihood of achieving "progressive and sustained" reductions in tobacco use among youth primarily and adults secondarily, both through primary prevention and through cessation of all forms of tobacco use.

Ronald Davis, MD, a renowned tobacco control expert and member of *Partnership for Prevention* said that "the formation of ENACT shows there is widespread agreement within the public health community on what must be done to reduce tobacco use in the United States and abroad."

Partnership for Prevention is a national non-profit organization committed to increasing visibility and priority for prevention in national health policy and practice.

Partnership for Prevention is a national nonprofit group whose aim is to increase the priority for disease prevention and health promotion in health policy and practice. As an organization with a diverse membership that includes corporate as well as nonprofit members, *Partnership's* participation in ENACT brings with it the potential to broaden the coalition significantly.

1233 20th Street, NW
Suite 200
Washington, DC 20036
(202) 833-0009
(202) 833-0113 Fax

###

BOARD OF DIRECTORS

Chairman

William L. Roper, MD, MPH
*Dean
School of Public Health
University of North Carolina at Chapel Hill*

BOARD MEMBERS

Catherine M. Baase, MD
*Global Medical Director
The Dow Chemical Company*

Howard L. Bailit, DMD, PhD
*Professor, Department of Community Medicine
and Director of the Health Policy and Primary
Care Research Center
University of Connecticut School of Medicine*

Karen A. Bodenhorn, RN, MPH
*Executive Director
California Center for Health Improvement*

Daniel P. Bourque
*Senior Vice President
VHA Inc.*

Peggy Clarke, MPH
*President
American Social Health Association*

Glenna M. Crooks, PhD
*President
Strategic Policy & Politics International, Inc.*

Gordon H. DeFries, PhD
*Director, Cecil G. Sheps Center for
Health Services Research
University of North Carolina at Chapel Hill*

Jonathan E. Fielding, MD, MPH, MBA
*Co-Director
UCLA Center for Healthier Children,
Families & Communities
Professor of Health Services & Pediatrics
UCLA School of Public Health*

The Honorable Bill Gradison
*President
Health Insurance Association of America*

Christine Grant, JD, MBA
*Vice President, Public Policy
Pasteur Mérieux Connaught*

Robert Harmon, MD, MPH
*National Medical Director
United HealthCare Corporation*

Karen Ignagni, MBA
*President and CEO
American Association of Health Plans*

Glendon E. Johnson
*Chairman and CEO
John Alden Life Insurance Co.*

Stanley G. Karson, MA
*Consultant
Corporate Community Involvement*

Jeffery P. Koplan, MD, MPH
*President
The Prudential Center for Health Care Research*

Wayne Lednar, MD, PhD
*Corporate Medical Director
Eastman Kodak Company*

Philip R. Lee, MD
*Senior Advisor to the Dean of the School of
Medicine and Professor Emeritus of
Social Medicine
Institute for Health Policy Studies
University of California at San Francisco*

J. Michael McGinnis, MD
*Scholar-in-Residence
National Academy of Sciences*

Lois G. Michaels, MSHy
*President Emeritus
Health Education Center
Highmark Blue Cross Blue Shield*

Woodrow A. Myers, Jr., MD, MBA
*Director
Health Care Management
Ford Motor Co.*

Michael P. O'Donnell, PhD, MBA, MPH
*Editor-in-Chief and President
American Journal of Health Promotion*

Gilbert S. Omenn, MD, PhD
*Professor and Dean
School of Public Health and Community Medicine
University of Washington*

Mary Pittman, DrPH
*President
Hospital Research and Educational Trust*

Ronald J. Saldarini, PhD
*President
Wyeth-Lederle Vaccines and Pediatrics*

John R. Seffrin, PhD
*Chief Executive Officer
American Cancer Society, Inc.*

P. John Seward, MD
*Executive Vice President
American Medical Association*

Hugh H. Tilson, MD, DrPH
*Senior Medical Advisor for Health Affairs
Glaxo Wellcome*

Thomas M. Vernon, MD
*Executive Director
Medical, Scientific & Public Health Affairs
Merck Vaccine Division
Merck & Co., Inc.*

Donald M. Vickery, MD
*Chairman and Chief Medical Officer
Health Decisions International, LLC*

Martin P. Wasserman, MD, JD
*Secretary
Maryland Department of Health and
Mental Hygiene*

Chairman Emeritus

The Honorable Richard S. Schweiker
*Former Secretary
Department of Health and Human Services*

August 19, 1997

The Honorable William J. Clinton
The White House
1600 Pennsylvania Avenue, NW
Washington, DC 20500

Dear President Clinton:

We are writing to thank you for your continuing efforts to reduce tobacco use and most especially to encourage you to lead the way in creating a new tobacco control policy for the nation.

A major part of this policy must be Congressional legislation to put in place a national, comprehensive, well funded and sustainable program to prevent and dramatically reduce tobacco use among children and adults and to reduce second hand smoke in public places and worksites.

We are heartened by the thorough evaluation your Administration is undertaking of the agreement between state Attorneys General and the tobacco industry, the report of the Advisory Committee on Tobacco Policy and Public Health (the Koop Kessler Committee) and other input. Most of our organizations have had the opportunity to help form the recommendations of the Koop Kessler Committee and to present our views on these matters to your staff.

Now we are coming together as a coalition to support a national policy and effective legislation. We anticipate that other organizations will join with us as this moves forward. This is a singular, historic opportunity to protect children and save lives, and therefore we are committing our resources, including our millions of members, volunteers and staffs, to this challenge. We intend to work with your Administration, the Congress, the entire public health community and the American people to ensure success.

Our individual organizations have indicated a number of issues for review and consideration that we believe are important to achieve our shared goal of reducing tobacco use. Among them are full FDA jurisdiction over tobacco, as affirmed by legislation, and imposition of severe and significant penalties on the tobacco industry if tobacco use among children does not drop substantially.

Your leadership is critical to an enduring solution to the nation's enormous tobacco problem. Please let us know how we can assist you in this endeavor. We want you to know that you can count on us.

Sincerely,

American Academy of Family Physicians
American Academy of Pediatrics
American Cancer Society
American College of Chest Physicians
American College of Preventive Medicine
American Heart Association

American Medical Association
Association of State and Territorial Health Officials
Campaign For Tobacco-Free Kids
National Association of County and City Health Officials
Partnership for Prevention

R4321

DRAFT

ENACT

DRAFT

Effective National Action to Control Tobacco - A Public Health Coalition -

American Academy of Family Physicians
American Academy of Pediatrics
American Cancer Society
American College of Chest Physicians
American College of Preventive Medicine
American Heart Association

American Medical Association
Association of State & Territorial
Health Officials
Campaign for Tobacco-Free Kids
National Association of County
and City Health Officials
Partnership for Prevention

Consensus Statement of ENACT

Building on decades of work by the public health community, the 1996 assertion of jurisdiction over tobacco by the U.S. Food and Drug Administration, the principles in the recent Koop-Kessler Report, and the June 20 agreement negotiated between the state Attorneys General and the tobacco industry, President Clinton announced on September 17 his support for comprehensive federal legislation based on five key elements to reduce tobacco use among all Americans, but particularly among children.

Our organizations support the President's call for bipartisan legislation and pledge to work with the Administration, Members of Congress, the public health community and the American people to achieve this goal.

We have an historic opportunity to prevent and dramatically reduce tobacco use among children and adults and reduce secondhand smoke in public places and worksites. Our priority is the enactment of comprehensive, sustainable, effective, well-funded tobacco control legislation.

This is a singular and unique opportunity to protect children and save lives. Therefore, we are committing our resources, including our millions of members, volunteers and staffs to the opportunity for fundamental change that is possible now, while pledging to continue to work on longer term public health goals.

The following are important elements for effective legislation and must be adequately funded:

- **Full FDA Authority:** The FDA must have full jurisdiction over all tobacco products and nicotine delivery devices. Furthermore, the FDA must be permitted to use the same procedures in regulating tobacco, and its decisions should be subject to the same standard of review that generally apply under the Food, Drug, and Cosmetic Act.

- DRAFT*
- **Tough Penalties:** The tobacco industry must be subject to significant penalties if tobacco use among children does not drop substantially. The penalties should be non-tax deductible, uncapped, escalating and brand-specific to youth tobacco use to give the tobacco industry the strongest possible incentive to stop targeting children.
 - **Price Increases:** The cost of tobacco products should be increased well beyond the \$0.62 per pack projected under the state Attorneys General agreement in order to deter children from taking up their use, whether through an increase in state and federal excise taxes, modifications in the tax treatment of annual payments, or price hikes from the tobacco companies due to increased settlement costs.
 - **No Marketing to Children:** Tobacco marketing and advertising to children must be prohibited.
 - **Document Disclosure:** To ensure that patterns of corporate malfeasance are disclosed and effectively checked in the future, tobacco legislation must provide for broad disclosure of industry documents, especially those containing scientific or other health information or relating to the industry's attempts to market tobacco to children.
 - **No Preemption:** Any federal legislation should explicitly provide that state and local governments are not preempted from establishing or retaining requirements equal to or more stringent than any federal requirement (including taxation) relating to tobacco control, other than requirements regulating the content of tobacco products.
 - **Public Health Initiatives:** Legislation should include improved warning labels, provisions to eliminate youth access to tobacco, public education, tobacco use cessation, research, and state and local tobacco control activities.
 - **International Leadership:** A portion of any funds should be earmarked for international organizations and federal agencies for the implementation of international tobacco control initiatives. Furthermore, the President should issue an Executive Order prohibiting the U.S. Trade Representative, the Department of Commerce, U.S. Embassies, and other federal agencies from interfering in any efforts by foreign national governments to curb tobacco use.
 - **Secondhand Smoke:** The public's protection from secondhand smoke hazards should be included as an integral part in any national tobacco policy. This should include federal environmental tobacco smoke restrictions for restaurants without preempting tougher local and state laws.
- DRAFT*

- Draft*
- **Protection of Tobacco Farmers and Their Communities:** The impact of the legislation on tobacco farmers and their communities should be addressed.

We are committed to improving public health; each organization has long been devoted to reducing the use of tobacco, particularly among children. We join together now to support an effective national policy on tobacco control.

ENACT (Effective National Action to Control Tobacco)
A Public Health Coalition

American Academy of Family Physicians
American Academy of Pediatrics
American Cancer Society
American College of Chest Physicians
American College of Preventive Medicine
American Heart Association
American Medical Association
Association of State and Territorial Health Officials
Campaign for Tobacco-Free Kids
National Association of County and City Health Officials
Partnership for Prevention

Home

CAMPAIGN
for
TOBACCO-FREE
Kids

Members of ENACT

Members of ENACT

List of contacts
Members
ENACT coalition:

American Academy of Family Physicians Sarah Thomas Director of Communications Tel 1-800-274-2237	Association of State and Territorial Health Officials Cheryl Beversdorf Executive Vice President Tel 202-371-9090
American Academy of Pediatrics Marjorie Tharp Public Affairs Manager Tel 202-347-8600	Campaign for Tobacco-Free Kids Kay Kahler Vose Director, Communications Tel 202-296-5469
American Cancer Society Emily Smith Director of Communications Tel 202-546-4011	National Association of County and City Health Officials Donna Grossman Director of Government Affairs Tel 202-783-5550
American College of Chest Physicians Lynne Marcus Vice President of Public Affairs Tel 847-498-1400	Partnership for Prevention Kelley O'Brien Director of Government Affairs Tel 202-833-0009
American College of Preventive Medicine Suzanne Leous Director of Public Affairs Tel 202-466-2044	American Heart Association Trish Moreis Manager, Public Advocacy Communications Tel 202-785-7900
American Medical Association Brenda Craine Assistant Director - Media and Information Services Tel 202-789-7447	

CAMPAIGN for TOBACCO-FREE Kids™

1-800-284-KIDS info@tobaccofreekids.org

Best viewed with Internet Explorer 3.0 or Netscape 2.0 or higher.

© 1997 National Center for Tobacco-Free Kids © DigiSys, Incorporated

percent -- support the use of such funds to develop alternatives to tobacco growing, while only 11 percent said the money should be used to help the farmers continue to grow tobacco profitably. The remainder were undecided.

Even in the six largest tobacco growing states, 69 percent of the respondents there supported allocating any tobacco agreement assistance money towards helping farmers find alternatives to growing the product. Twenty-one percent said that the money should go towards helping farmers continue to grow tobacco profitably.

"The results of this survey indicate that opposition to tobacco's dangers has grown so great that the public believes tobacco farmers should be encouraged to find other ways to make their livelihood," said Bill Novelli, CAMPAIGN president. "While the public has mixed feelings on whether tobacco farmers should receive any financial relief at all from the tobacco agreement, those polled -- including those in tobacco-producing states whose economies are dependent on the crop -- have expressed a clear desire for farmers to move out of tobacco production and into other areas."

The random telephone survey of 1,000 adults, split evenly between men and women from across the nation, was conducted by Market Facts' TeleNation from August 15-17, 1997. The margin of error for the full sample of 1,000 respondents is +/- 3 percentage points.

The CAMPAIGN FOR TOBACCO-FREE KIDS is the largest initiative ever undertaken to decrease youth tobacco use in the United States. Its mandate is to focus the nation's attention and action on keeping tobacco marketing from seducing children, and making tobacco less accessible to kids.

###

Note to editors: Survey data demographic breakdowns are available upon request.

*This is the
money I gave you
in South Boston*

J. PHIL CARLTON, ESQUIRE



UNITED FEDERAL BANK BUILDING
108 N. 3RD STREET
PINETOPS, NORTH CAROLINA 27864

(919) 827-5141
FACSIMILE (919) 827-5487

P.O. Box 67
PINETOPS, NORTH CAROLINA 27864
email: pcarlton@counsel.com
www.selfg.com

cc: Tom
EK
Jerry

File: Tobacco - ~~REDACTED~~
Big Tobacco

TO: Bruce Reed
FROM: Phil Carlton
DATE: October 9, 1997

As you requested.

J. PHIL CARLTON, ESQUIRE



P.O. Box 67
PINETOPS, NORTH CAROLINA 27864
email: pcarlton@counsel.com
www.sclfg.com

UNITED FEDERAL BANK BUILDING
108 N. 3RD STREET
PINETOPS, NORTH CAROLINA 27864

(919) 827-5141
FACSIMILE (919) 827-5487

October 8, 1997

The Honorable Kent Conrad
United States Senate
SH-530 Hart Senate Office Building
Washington, DC 20510-3403

Dear Senator Conrad:

Enclosed is the response from Lorillard Tobacco Company, Philip Morris Companies Inc., R. J. Reynolds Tobacco Company and UST, Inc. to your request for a financial analysis of the impact on the industry of the proposed resolution. Brown & Williamson Tobacco Company will be providing you with a supplement within the next day or so.

Please let me know if I can be of additional service to you and/or members of the Task Force.

With kindest regards.

Sincerely,

Phil Carlton

Enclosure

JPC:cda

Impact of the Proposed Resolution on the U.S. Cigarette Industry

The Conrad Senatorial Task Force has requested the industry to estimate the impact of the proposed resolution on cigarette consumption in the U.S. and its potential effect on individual tobacco company stock prices. This paper attempts to respond to this request despite the significant uncertainties associated with these topics.

Cigarette Consumption

There has been much speculation on the impact of the proposed resolution on the level and nature of future cigarette consumption in the U.S. Any projection is a perilous exercise, but in this specific instance, it is particularly difficult to predict with any degree of confidence the proposed resolution's effect on cigarette consumption. This inherent uncertainty arises from the unprecedented magnitude and scope of the combined impact of the numerous economic and non-economic measures contained in the proposed resolution.

Cigarette consumption in the U.S. is estimated to have reached a level of 482.7 billion units in 1996 reflecting an annual average decline of 1.3 percent since 1990.¹

Cigarette consumption levels are a function of numerous parameters and their interrelationships. These parameters include price, price gaps, the availability of substitute products, demographics, inflation, consumer disposable income, social attitudes towards smoking, smoking restrictions, etc. Many of these parameters are subject to considerable uncertainty and will be significantly impacted by the proposed resolution.

Economists measure the impact of real price movements on the purchase of any product through econometric modelling which yields a price elasticity ratio. For example, a price elasticity ratio of -0.5 means that a real price increase of 10 percent generates a reduction in demand of 5 percent. Numerous studies have been conducted that estimate the price elasticity of demand for cigarettes in the U.S. market. The vast majority

¹ Industry estimates of consumption derived from industry shipments adjusted for trade inventory movements.

suggest that elasticity falls between -0.40 and -0.45.² These studies rely on historical data to measure elasticity and generally derive estimates based on "short run" or immediate impacts. Some studies have attempted to measure the "long run" elasticity of demand for cigarettes. A study by Economics Nobel Prize laureate, Gary Becker, estimated that the long run response to a permanent change in price falls between -0.73 and -0.79 with an average elasticity factor of -0.75.³ The Becker study implies that a 10 percent increase in real prices will cause a short run decrease in cigarette sales of approximately 4 percent and a long run decrease in cigarette demand of 7.5 percent.

A March 1994 analysis by Gravelle and Zimmerman of the Congressional Research Service⁴ also highlights the fact that the expected long run reduction in demand for cigarettes will be much greater than in the short run. The study implies that the long run elasticity could be as high as -1.2. Thus, under this measure, a 10 percent price increase would result in a long run decline in cigarette sales of 12 percent.

Price elasticity of demand is not independent of real price movements. When consumer prices reach unprecedented levels, sensitivity to price also rises and thus elasticity ratios become more pronounced. Accordingly, the industry conservatively estimates that as a result of the real retail price increases that will result from the implementation of the proposed resolution, price elasticity is likely to fall between -0.5 and -0.75.

U.S. cigarette consumption is estimated to have a negative annual underlying trend, independent of real price movements, of between 1 percent and 2 percent.⁵ The proposed resolution incorporates a wide array of measures which will clearly impact this underlying trend in demand. These measures include access restrictions, well funded public education campaigns and billions of dollars earmarked for cessation programs. While it is difficult to predict in an accurate manner the extent to which the underlying negative trend will accelerate, it can safely be assumed that at a very minimum it will increase to a range of between 2 percent and 3 percent.

² 1989 Surgeon General Report, Table 12 on Page 535.

³ Becker et al, Analysis of Cigarette Addiction, the American Economic Review, June 1994, Volume 84, No. 3, Page 407, Table 4.

⁴ Gravelle and Zimmerman, Cigarette Taxes to Fund Health Care Reform: An Economic Analysis, March 8, 1994, Congressional Research Service, The Library of Congress.

⁵ Patrick Fleenor, Tax Foundation - The Effect of Excise Tax Differentials on the Interstate Smuggling and Cross-Border Sales of Cigarettes in the U.S., October 1996, as well as industry estimates.

In recent weeks the public health community and numerous officials have stated that retail prices will increase by 62 cents per pack by the fifth year of implementation of the proposed resolution. This number is grossly underestimated. For example, it totally ignores the multipliers inherent in the retail price structure of cigarettes, e.g., trade margins and state and local general sales taxes. The industry conservatively estimates that retail prices will increase by an absolute minimum of \$1.20 per pack by the fifth year and by an absolute minimum of \$1.50 per pack by the tenth year of implementation of the proposed resolution.⁶ Accordingly, retail prices will rise at least to the levels that are being advocated by the public health community and the President without the imposition of any additional Federal or State excise taxes.⁷

The following table highlights cigarette demand levels that are derived from price elasticity factors of -0.5 and -0.75 and a downward underlying trend in demand of 2.5 percent:

Table 1

Projected Cigarette Consumption					
1997 - 2007					
(Billion Cigarettes)					
Elasticity				% Variance	
	1997	2002	2007	2002 vs. 1997	2007 vs. 1997
-0.50	477.0	337.8	301.1	(29.2)%	(36.9)%
-0.75	477.0	300.6	269.3	(37.0)%	(43.5)%

Over a ten year period it is estimated that cigarette consumption would fall by between 175.9 billion cigarettes and 207.7 billion cigarettes versus 1997 estimated consumption of 477 billion cigarettes.

Table 2 highlights the above-mentioned projections versus cigarette consumption levels that would otherwise have materialized as a result of the secular downward trend of approximately 1.5 percent:

⁶ See detailed retail price projections on Table 5, Page 9.

⁷ Over and above the prevailing average State Excise tax of \$0.33/pack and the \$0.39/pack Federal Excise tax as of 2002.

Table 2

<u>Projected Cigarette Consumption</u>			
<u>1997 - 2007</u>			
(Billion Cigarettes)	<u>1997</u>	<u>2002</u>	<u>2007</u>
Base	477.0	442.3	410.1
Scenario 1	477.0	337.8	301.1
Scenario 2	477.0	300.6	269.3
% Variance			
Versus Base:			
Scenario 1	-	(23.6)%	(26.6)%
Scenario 2	-	(32.0)%	(34.3)%

Such volume declines will have a significant adverse impact on the entire cigarette supply chain. Industry pretax earnings will suffer even if unit margins rise to offset the higher burden of unit fixed costs in the face of declining sales volumes.

The Federal Trade Commission has recently issued a report that alleges that the industry could reap substantial benefits from the proposed resolution.⁸ Indeed, the FTC report claims that the industry could raise prices with impunity and thereby generate huge windfall profits. The report also claims that the industry would retain two thirds of incremental revenues to the detriment of the public sector. The report's analysis and conclusions are seriously flawed for the following reasons:

- (i) The report erroneously assumes that increases in the retail price of cigarettes beyond the level required to pass through the settlement payments will accrue solely to the manufacturers. For example, under the FTC report's "200% scenario" which entails a retail price of \$3.04/pack, the FTC report assumes that

⁸ Federal Trade Commission, Competition and the Financial Impact of the Proposed Tobacco Industry Settlement, September, 1997.

the manufacturers' price⁹ net of taxes and settlement payments will be \$1.42/pack. As highlighted on Table 3, had the FTC used more accurate assumptions in its projections, it would have concluded that the manufacturers' price would be significantly lower than its study suggests under its retail price assumptions.

Table 3

(\$ / pack)	<u>200% Price Increase</u>	
	<u>FTC Projection</u>	<u>2007 Amended FTC Projection¹⁰</u>
Retail Price	\$3.04	\$3.04
Federal Excise Tax ^(a)	(0.24)	(0.39)
State Excise Tax	(0.32)	(0.33) ^(b)
Settlement Payment ^(c)	(0.62)	(0.83)
Trade Margin	(0.44) ^(d)	(0.58) ^(e)
Sales Tax at 4.7%	--	(0.14)
Manufacturers' Price	<u>\$1.42</u>	<u>\$0.77</u>

(a) After the publication of the report, the FTC stated that the \$0.15/pack excise tax credit (\$0.10/pack in 2000 and \$0.05/pack in 2002) should not have been factored into its assumptions.

(b) The weighted average state excise tax prevailing in July 1997 was \$0.3362/pack reflecting increases in New Hampshire, Utah and Rhode Island.

(c) The minimum 3 percent per annum escalator is omitted by the FTC.

(d) The FTC report does not explicitly divulge the trade margin assumption. The trade margin is derived from the FTC report by deduction and is consistent with the theory expounded in the report that any increase in retail price accrues solely to the manufacturers.

(e) This conservatively assumes that the trade will earn a margin of only 12 percent on any increase in retail price beyond the \$1.90/pack.

For perspective, it should be highlighted that the average manufacturers' net selling price in 1996 was \$0.80/pack.

⁹ Manufacturers' price to wholesalers.

¹⁰ It follows from this analysis that the retail price would have to be \$3.81/pack to yield a manufacturers' price of \$1.42/pack.

- (ii) The assumptions pertaining to industry profitability are simplistic at best.

The FTC report uses a weighted average operating profit of \$0.32/pack. The Brown and Williamson Tobacco Corporation (B&W) which accounted for 17.2 percent of industry sales volume in 1996 is omitted from this calculation. Had the FTC report included B&W's operating profits in the weighting, the average operating profit would decline to \$0.30/pack, a difference of \$500 million dollars in annual industry pretax earnings.

The report fails to specify that a significant proportion of the industry's cost base is composed of fixed costs, i.e., costs that are independent of throughput along the entire supply chain. The report simply assumes that all industry costs are variable. In other words, the FTC assumes that all fixed costs will decline in line with projected volume declines. Under the FTC's premise, a sales volume loss of one billion cigarette packs would erode industry profits by \$300 million dollars. In fact the loss would be more than double this level, as fixed costs will remain and the industry would lose the full marginal contribution generated by this volume, i.e., approximately \$640 million dollars.

The report admits that in order to "simplify the analysis" it ignores the potential impact of a change in mix, i.e., a potential shift in demand from premium priced brands to either discount or generic products. Premium brands currently account for approximately 72 percent of total sales. For purposes of illustration, should this segment decline to a level of 60 percent with a corresponding increase in the discount segment, the net cost to the industry would be in excess of \$600 million in operating profits at prevailing unit margin levels.¹¹

The FTC report estimates potential marketing and legal expenditure savings that ostensibly would be derived from the implementation of the proposed resolution. It is by no means certain that the industry will in fact generate savings in its legal expenditures. The FTC fails to take account of the industry's continued exposure to individual litigation and to its obligations in terms of attorneys' fees. Moreover, the FTC fails to account for any cost increases associated with the proposed resolution. It notably omits from its assumptions:

- the interest costs related to the industry up-front payment of \$10 billion.

¹¹ A shift in consumption to the discount segment will result in a lower average retail price than otherwise would be the case and hence volume would be marginally higher. The resulting higher volume would only partially offset the significant margin erosion resulting from an adverse change in mix.

- the significant expenditures required to fully comply with the broad array of regulatory measures that are contained in the proposed resolution.
 - the implications of the proposed resolution on the cost of tobacco. Future legislation will in all likelihood contain provisions designed to protect domestic tobacco growers and their communities from the impact of declining volumes. These provisions are likely to increase the direct or indirect cost of tobacco.
 - any potential surcharge that would be imposed on the industry in the event that underage smoking incidence would fail to meet the reduction targets that are specified in the proposed resolution.
- (iii) The report chooses to neglect the historical pattern of state excise tax increases which have risen at an annual average rate of approximately 5 percent since 1990. It is simply unrealistic to assume that both the Federal Excise Tax and State Excise Taxes will remain at current levels for the next 25 years if industry profitability should ever reach the unprecedented levels that are suggested by the FTC report.

Company Share Prices

The inherent uncertainty pertaining to the impact of the proposed resolution on the level and nature of future cigarette consumption and on industry profitability also clearly applies to the reaction of the stock market.

It is an indisputable fact that the stock prices of tobacco companies historically have been volatile and that the relative Price/Earnings ratios of these companies have been adversely impacted by the threat of litigation, despite the fact that the industry has consistently prevailed in the courts.

There are those on Wall Street who believe that the elimination of substantial event risk provides predictability and thus should be a net positive for the tobacco companies. They claim that these companies are all highly diversified and thus the market discount afforded to these non-tobacco assets would be removed.

Conversely, there are others on Wall Street who believe that the proposed resolution will be a net negative for the tobacco companies. They believe that the terms of the resolution are too onerous and that these companies can sustain their successful track record in the courts. Moreover, they argue that any potential expansion in their respective Price/Earnings ratios would be fully offset by the erosion in profitability that these companies will incur as a result of the resolution.

The fact of the matter is that no one is in a position to predict what may happen to individual stock prices.

Table 4 highlights the performance of individual stock prices versus the S&P 500 at market close on September 25, 1997:

Table 4

	<u>September 25, 1997 Stock Prices</u>		
	<u>Year-End 1995</u>	<u>Year-End 1996</u>	<u>P/E Ratio</u>
BAT Industries	(7.7)%	8.2%	11
Loews	42.8%	18.8%	14
Philip Morris Companies	38.0%	10.2%	15
RJR Nabisco	8.3%	(2.0)%	13
S&P 500	53.4%	21.7%	24

Table 4 clearly highlights that the stock market's reaction to date to the terms of the proposed resolution has been negative as every single company has trailed the S&P 500 since both year-end 1995 and year-end 1996 despite solid profit growth and attractive dividend yields.

Wall Street is oriented towards the short term, and the bulk of the projections emanating from Wall Street focus on a period of only 3 years and, in some rare instances, 5 years. In addition, in a bull market everything is viewed optimistically. The long term impact remains uncertain and will depend on each individual company's ability to generate earnings growth through its other businesses.

Table 5

Minimum Retail Price Projections⁽¹⁾
(\$ / pack of 20 Cigarettes)

	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
On-going Settlement Payments ⁽¹⁾	-	0.360	0.414	0.517	0.647	0.715	0.737	0.759	0.782	0.805	0.829
Industry Price ⁽²⁾	-	0.027	0.054	0.082	0.111	0.141	0.171	0.202	0.234	0.267	0.300
Federal Excise Tax	-	-	-	0.100	0.100	0.150	0.150	0.150	0.150	0.150	0.150
Trade Margin ⁽³⁾	-	0.053	0.064	0.095	0.117	0.137	0.144	0.152	0.159	0.167	0.174
Sales Tax ⁽⁴⁾	-	<u>0.021</u>	<u>0.025</u>	<u>0.037</u>	<u>0.046</u>	<u>0.054</u>	<u>0.056</u>	<u>0.059</u>	<u>0.062</u>	<u>0.065</u>	<u>0.068</u>
Total Increase	-	<u>0.461</u>	<u>0.557</u>	<u>0.831</u>	<u>1.021</u>	<u>1.197</u>	<u>1.258</u>	<u>1.322</u>	<u>1.387</u>	<u>1.454</u>	<u>1.521</u>
Retail Price	1.82 ⁽⁵⁾	2.28	2.38	2.65	2.84	3.02	3.08	3.14	3.21	3.27	3.34

⁽¹⁾ Reflects on-going settlement payments adjusted for volume and indexed at minimum annual rate of 3%.

⁽²⁾ Only reflects adjustment for inflation of 2.5%.

⁽³⁾ Assumes a combined 12% rate for both wholesalers and retailers. Current average trade margin, expressed as a percentage of retail price, exceeds 20% and thus this assumption is extremely conservative.

⁽⁴⁾ Reflects national average tax of 4.7%.

⁽⁵⁾ Average weighted net price to consumer.

⁽¹⁾ These projections exclude any additional federal or state excise taxes and any additional payments that may be required under the terms of the proposed resolution, e.g., surcharges pertaining to the lookback provision.

- 9 -
10/8/97

CAMPAIGN for TOBACCO-FREE Kids

October 3, 1997

Elena Kagan
Domestic Policy Office
The White House
Washington, DC 20502

Dear Elena:

Enclosed are several press packets announcing the formation of a new coalition of public health groups, ENACT. The group will work with the Administration, the Congress, the public health community, and the American people to help pass comprehensive, sustainable, effective, well-funded, national tobacco control legislation that embodies the President's principles.

ENACT represents 11 of the nation's largest and most prestigious public health organizations.

At our press conference, we released new polling data that shows very strong support for the principles outlined by the President. It was the first poll taken after the President announced his five key elements.

We hope that you will share this information with Bruce Lindsay, Bruce Reed and other working on the tobacco issue.

The ENACT coalition has committed its members, its volunteers and its resources to accomplish this important goal of enacting comprehensive legislation.

Many thanks for your help. We look forward to working with you.

Sincerely,



Kathryn Kahler Vose
Director, Communications

ENACT

Effective National Action to Control Tobacco

-- A Public Health Coalition --

American Academy of Family Physicians
American Academy of Pediatrics
American Cancer Society
American College of Chest Physicians
American College of Preventive Medicine
American Heart Association

American Medical Association
Association of State & Territorial
Health Officials
Campaign for Tobacco-Free Kids
National Association of County
and City Health Officials
Partnership for Prevention

FOR IMMEDIATE RELEASE
October 1, 1997

Contacts: Emily Smith, ACS 202-546-4011
Trish Moreis, AHA 202-785-7900
Marjorie Tharp, AAP 202-347-8600
Brenda Craine, AMA 202-789-7447
Jennifer Thorp, CFTFK 202-296-5469
Sarah Thomas, ASFP 800-274-2237

-- Public Health Groups Form Powerful Coalition to Enact Comprehensive Tobacco Control Legislation and Release Poll Showing Broad Public Support for National Efforts to Curb Smoking --

Washington, D.C. (October 1, 1997) -- Eleven of the nation's most prestigious public health organizations have formed the coalition ENACT (Effective National Action to Control Tobacco) and have pledged to work with the Congress and the Administration to help pass comprehensive, sustainable, effective, well-funded, national tobacco control legislation.

"The commitment made by all eleven organizations to come together to help pass legislation as significant as this is unprecedented," said John R. Seffrin, Ph.D., chief executive officer of the American Cancer Society. "By sharing resources we can educate the public about the need for national tobacco control policy. By joining forces we can activate millions of public health advocates across the country. By uniting we can overcome any obstacle we face to take advantage of this historic opportunity."

ENACT also released a letter it sent to members of Congress pledging to work together to help pass strong bipartisan legislation.

The group also released new national polling data that show strong public support for a comprehensive plan to control tobacco use. Seventy-one percent of those polled during the week following President Clinton's tobacco policy announcement think it is important that the Congress address a national tobacco control policy in the next six months. The survey also

- more -

P.O. Box 65168
Washington, DC 20035
Phone: (202) 293-1405

found that 87 percent of the public is concerned about tobacco use by kids as a public health issue.

An advertisement announcing the formation of ENACT and its pledge to help pass comprehensive legislation appears in *The Washington Post* and *The Washington Times* today.

"The American Academy of Family Physicians, American Academy of Pediatrics, American Cancer Society, American College of Chest Physicians, American College of Preventive Medicine, American Heart Association, American Medical Association, Association of State and Territorial Health Officials, Campaign for Tobacco-Free Kids, National Association of County and City Health Officials, and Partnership for Prevention are standing together here today to say to the American people that we will work with Congress, the Clinton Administration and anyone else who will join us in the fight to enact national tobacco control legislation," said Dr. Randolph Smoak, Jr., vice chair of the American Medical Association's Board of Trustees.

Building on decades of work by the public health community, the 1996 assertion of jurisdiction over tobacco by the U.S. Food and Drug Administration, the principles in the recent Koop-Kessler Report, the June 20th agreement negotiated between the state Attorneys General and the tobacco industry, and President Clinton's call for bipartisan legislation, ENACT members released a consensus statement that outlines the important elements for effective legislation. These elements include:

- Full FDA authority over all tobacco products and nicotine delivery systems.
- Tough penalties against the industry if tobacco use among children does not drop substantially.
- Significant price increases on the cost of tobacco products.
- No marketing to children.
- Broad disclosure of industry documents.
- Provisions to ensure that federal law does not preempt more restrictive state and local laws.
- Support for important public health initiatives.
- Funding for implementation of international tobacco control initiatives.
- Protections from secondhand smoke.
- Help for tobacco farmers and their communities.

In addition to documenting concern over youth tobacco use and the need for Congress to address national tobacco control policy in the next six months, the poll also revealed that:

- By a margin of two to one, the public favors President Clinton's approach to building on the proposed tobacco settlement agreement to enact a national tobacco policy. Fifty-nine percent of those polled favored the approach, with 29 percent opposed and 12 percent undecided.
- A majority also supports many of the more specific provisions of the president's plan for a national tobacco policy, including: full authority for FDA with no special restrictions (60% v. 28% opposed); a national minimum tobacco purchasing age with required photo

identification checks to reduce youth access to tobacco (85% v. 10% opposed); stiff industry penalties if youth smoking does not decline (57% v. 34% opposed); a cigarette price increase of as much as \$1.50/pack if youth smoking does not decline (59% v. 33% opposed); restricting smoking in public places (78% v. 16% opposed); and funding a national tobacco use prevention/education program (70% v. 20% opposed).

- Seventy-three percent of respondents agreed that a national tobacco policy is important to help parents discourage kids from smoking. Two-thirds (67%) believe that a national tobacco policy is likely to reduce youth tobacco use, and almost one-half (49%) believe a national tobacco policy is likely to reduce tobacco use by adults.

Findings from the poll, commissioned by the CAMPAIGN FOR TOBACCO-FREE KIDS, were released at today's ENACT news conference.

"It's clear that there is overwhelming support for a comprehensive plan to protect both kids and adults from tobacco," said Dr. Ronald M. Davis, director of the Center for Health Promotion and Disease Prevention at the Henry Ford Health System in Detroit, which is a member of Partnership for Prevention. He also is a fellow of the American College of Preventive Medicine.

ENACT members said they thought Congress could pass legislation as early as the spring of 1998. Hearings on the issue are already taking place on Capitol Hill.

"We stand ready to work with the Congress and the American people to accomplish this important goal," said Dr. Michael C. Caldwell, Dutchess County (NY) health commissioner and a board member and tobacco committee chair of the National Association of County and City Health Officials.

#

Note to editors: A full summary of poll findings is available.

ENACT

Effective National Action to Control Tobacco

– A Public Health Coalition –

American Academy of Family Physicians
American Academy of Pediatrics
American Cancer Society
American College of Chest Physicians
American College of Preventive Medicine
American Heart Association

American Medical Association
Association of State & Territorial
Health Officials
Campaign for Tobacco-Free Kids
National Association of County
and City Health Officials
Partnership for Prevention

Consensus Statement of ENACT

Building on decades of work by the public health community, the 1996 assertion of jurisdiction over tobacco by the U.S. Food and Drug Administration, the principles in the recent Koop-Kessler Report, and the June 20 agreement negotiated between the state Attorneys General and the tobacco industry, President Clinton announced on September 17 his support for comprehensive federal legislation based on five key elements to reduce tobacco use among all Americans, but particularly among children.

Our organizations support the President's call for bipartisan legislation and pledge to work with the Administration, Members of Congress, the public health community and the American people to achieve this goal.

We have an historic opportunity to prevent and dramatically reduce tobacco use among children and adults and reduce secondhand smoke in public places and worksites. Our priority is the enactment of comprehensive, sustainable, effective, well-funded tobacco control legislation.

This is a singular and unique opportunity to protect children and save lives. Therefore, we are committing our resources, including our millions of members, volunteers and staffs, to the opportunity for fundamental change that is possible now, while pledging to continue to work on longer term public health goals.

The following are important elements for effective legislation and must be adequately funded:

- **Full FDA Authority:** The FDA must have full jurisdiction over all tobacco products and nicotine delivery devices. Furthermore, the FDA must be permitted to use the same procedures in regulating tobacco, and its decisions should be subject to the same standard of review that generally apply under the Food, Drug, and Cosmetic Act.
- **Tough Penalties:** The tobacco industry must be subject to significant penalties if tobacco use among children does not drop substantially. The penalties should be non-tax deductible, uncapped, escalating and brand-specific to youth tobacco use to give the tobacco industry the strongest possible incentive to stop targeting children.

P.O. Box 65168
Washington, DC 20035
Phone: (202) 293-1405

- **Price Increases:** The cost of tobacco products should be increased well beyond the \$0.62 per pack projected under the state Attorneys General agreement in order to deter children from taking up their use, whether through an increase in state and federal excise taxes, modifications in the tax treatment of annual payments, and/or price hikes from the tobacco companies due to increased settlement costs.
- **No Marketing to Children:** Tobacco marketing and advertising to children must be prohibited.
- **Document Disclosure:** To ensure that patterns of corporate malfeasance are disclosed and effectively checked in the future, tobacco legislation must provide for broad disclosure of industry documents, especially those containing scientific or other health information or relating to the industry's attempts to market tobacco to children.
- **No Preemption:** Any federal legislation should explicitly provide that state and local governments are not preempted from establishing or retaining requirements equal to or more stringent than any federal requirement (including taxation) relating to tobacco control, other than requirements regulating the content of tobacco products.
- **Public Health Initiatives:** Legislation should include improved warning labels, provisions to eliminate youth access to tobacco, public education, tobacco use cessation, research, and state and local tobacco control activities.
- **International Leadership:** A portion of any funds should be earmarked for international organizations and federal agencies for the implementation of international tobacco control initiatives. Furthermore, the President should issue an Executive Order prohibiting the U.S. Trade Representative, the Department of Commerce, U.S. Embassies, and other federal agencies from interfering in any efforts by foreign national governments to curb tobacco use.
- **Secondhand Smoke:** The public's protection from secondhand smoke hazards should be included as an integral part in any national tobacco policy. This should include federal environmental tobacco smoke restrictions for restaurants without preempting tougher local and state laws.
- **Protection of Tobacco Farmers and Their Communities:** The impact of the legislation on tobacco farmers and their communities should be addressed.

Each organization has identified additional ways to achieve our shared goal, and will work to implement those provisions which are unique to its constituency and goals.

Together, we are committed to improving public health; our organizations have long been devoted to reducing the use of tobacco, particularly among children. We join together now to support an effective national policy on tobacco control.

CAMPAIGN For TOBACCO-FREE Kids

PUBLIC SUPPORT FOR A NATIONAL TOBACCO POLICY

FINDINGS FROM A NATIONAL POLL

A recent telephone survey commissioned by the Campaign for Tobacco-Free Kids reveals that the public is concerned about the tobacco issue and supports President Clinton's approach to enacting a national tobacco policy. The results demonstrate broad support for the president's approach and the specifics of the plan, as well as the belief that a national tobacco policy can reduce tobacco use by kids. The random national survey of 1,000 adults, conducted by Market Facts' TeleNation during the week following the president's announcement (September 19-25), has a margin of error of ± 3 percentage points.

1. IMPORTANCE OF NATIONAL TOBACCO POLICY

Almost all respondents to the survey expressed concern about tobacco use by kids. A large majority believes Congress should address the issue in the next six months.

- **Eighty-seven percent of the public is very (66%) or somewhat (22%) concerned about tobacco use by kids as a public health issue. Similar levels of concern are expressed for illegal drug use (91%) and AIDS (90%), while drunk driving (97%) and violence (96%) draw slightly more concern.**
- **Seventy-one percent of the public thinks it is very (42%) or somewhat (29%) important that the Congress address a national tobacco control policy in the next six months. Ninety percent believe Medicare reform is as important, while campaign finance reform and fast track trade legislation are considered as important by 76 percent and 70 percent, respectively.**
- **Seventy-two percent of those surveyed agree with the statement that it is important to establish a national tobacco policy now rather than waiting for lawsuits against the industry to conclude. Sixteen percent disagree, while 13 percent neither agree nor disagree, or do not know.**

2. REACTIONS TO PRESIDENT CLINTON'S APPROACH

Respondents to the survey were told that the president issued guidelines for building on the proposed agreement between the state attorneys general and the tobacco industry to enact a national tobacco policy by: 1) Strengthening the FDA's authority to regulate tobacco products; 2) Increasing the penalties on the tobacco industry if smoking by

- more -

young people does not decrease; 3) Increasing the price of tobacco products to further discourage use by young people; and 4) Helping farm communities to develop alternatives to tobacco.

- The public favors the president's approach by a margin of two to one, with 59 percent in favor, 29 percent opposed, and 12 percent undecided.
- A majority of the public also supports many of the more specific provisions of the president's plan for a national tobacco policy, including:

	<u>Favor</u>	<u>Oppose</u>	<u>DK</u>
<u>Full Authority for FDA With No Special Restrictions</u>	60%	28%	13%
<u>Stiff Industry Penalties and Price Increases</u>			
Stiff industry penalties if youth smoking does not decline	57%	34%	9%
Increase price by as much as \$1.50 if youth smoking does not decline	59%	33%	9%
<u>Expanded Efforts to Reduce Youth Access to Tobacco</u>			
National minimum age with required ID checks	85%	10%	5%
Reduce access by banning vending machines and placing all tobacco products behind the counter	83%	13%	4%
<u>Public Education, Counter Advertising, Cessation Assistance</u>			
Funding national prevention/education program	70%	20%	11%
Funds for programs to help smokers quit	77%	16%	7%
<u>Restrictions on Smoking in Public Places</u>	78%	16%	6%
<u>Limits on Tobacco Advertising</u>			
Eliminating outdoor tobacco advertising	63%	28%	9%
Limit magazine advertising to black and white/text only in publications with 15% youth readership	55%	29%	16%
Prohibit tobacco sponsorship of sports/entertainment	51%	36%	13%

3. USE OF TOBACCO INDUSTRY FUNDS FROM NATIONAL TOBACCO POLICY

Support for the various elements of the president's plan is also evidenced by support for the use of potential funds from a national tobacco policy for various purposes:

	<u>Favor</u>	<u>Oppose</u>	<u>DK</u>
Enforce youth access laws	85%	10%	5%
Fund public education campaign	80%	12%	8%

Provide cessation programs	79%	16%	6%
Conduct research on tobacco	78%	15%	7%
Help farmers develop alternatives	78%	13%	9%
Reimburse states for Medicaid costs	56%	33%	10%
Compensate farmers for money lost	50%	40%	11%
Compensate sports/other events	35%	50%	15%
Pay smokers for damages	33%	54%	12%

4. PERCEIVED EFFECTS OF A NATIONAL TOBACCO POLICY

The public feels strongly that a national tobacco policy is necessary to discourage tobacco use by kids and that it can be effective in doing so.

- **Seventy-three percent of respondents agree with the statement that a national tobacco policy is important to help parents discourage kids from smoking. Twenty-one percent disagree, while 6 percent are undecided or do not know.**
- **Two-thirds (67%) of the public believe that a national tobacco policy is very or somewhat likely to reduce tobacco use by kids. Twenty-seven percent believe it is unlikely to reduce tobacco use by kids, while 7 percent are undecided. Almost one-half (49%) believe a national tobacco policy is likely to reduce tobacco use by adults; 41 percent say this is unlikely.**

###

ENACT

Effective National Action to Control Tobacco

– A Public Health Coalition –

American Academy of Family Physicians
American Academy of Pediatrics
American Cancer Society
American College of Chest Physicians
American College of Preventive Medicine
American Heart Association

American Medical Association
Association of State & Territorial
Health Officials
Campaign for Tobacco-Free Kids
National Association of County
and City Health Officials
Partnership for Prevention

[Sample of letter sent to all Members of Congress]

October 1, 1997

The Honorable Trent Lott
United States Senate
Washington, D.C. 20510

Today we stand on the brink of making tremendous gains in the fight to save lives and protect children from tobacco. We applaud the work that has been done by Congress, the state Attorneys General, the Koop/Kessler Committee, public health advocates, and President Clinton to create this historic opportunity.

The President's recent action moved us a step closer to achieving a national tobacco control plan to drive down youth and adult smoking rates, help addicted smokers quit, and stop our young people from ever starting to use tobacco products. Now, we must all work to make this a reality.

Our public health organizations have joined together as a coalition, ENACT (Effective National Action to Control Tobacco), to help achieve a national, comprehensive and sustainable program to protect Americans from tobacco. We offer our assistance and urge you and your colleagues in the Congress to craft effective legislation to make this program possible.

This is an historic opportunity to protect children and save lives, and therefore we are committing our resources, including our millions of members, volunteers and staff, to this challenge. We intend to reach out to the American people, who overwhelmingly support efforts to protect children from tobacco.

A recent telephone survey found that 87 percent of the public is concerned about tobacco use by kids as a public health issue. Additionally, 71 percent of the public thinks it is important that Congress address a national tobacco control policy in the next six months.

P.O. Box 65168
Washington, DC 20035
Phone: (202) 293-1405

With so many of our children falling to tobacco addiction every day it is critical that we take action. We look forward to working closely with you, the Clinton Administration, the entire public health community, and the American people to ensure success in the 105th Congress.

Please let us know how we can assist you in this endeavor.

American Academy of Family Physicians
American Academy of Pediatrics
American Cancer Society
American College of Chest Physicians
American College of Preventive Medicine
American Heart Association
American Medical Association
Association of State and Territorial Health Officials
Campaign for Tobacco-Free Kids
National Association of County and City Health Officials
Partnership for Prevention

(Attachment)

Kids and Tobacco

Our Pledge to America

Recently President Clinton outlined broad principles for a national tobacco control policy and asked Congress to enact legislation to significantly reduce tobacco use among our youth.

After decades of rising youth addiction and adult disease and death, we have before us the chance to kick this nation's lethal tobacco habit.

That is why our public health organizations have joined together, representing millions of members, volunteers, and staff. Today, we pledge to the American people that we are committing our-

selves fully to this challenge.

We pledge to work in a true bipartisan fashion with the Congress and to take our case to the public. We pledge to work with all our collective strength to bring about the nation's first comprehensive, well-funded and sustainable program to prevent and dramatically decrease tobacco use among children and adults and to reduce secondhand smoke in public places and worksites.

We welcome your help. Join with us to enact national tobacco legislation and win the Tobacco War for America's good health.

Effective
National Action
to Control Tobacco

ENACT

A Public
Health Coalition

American Academy of Family
Physicians
American Academy of
Pediatrics

American Cancer Society
American College of Chest
Physicians
American College of
Preventive Medicine
American Heart Association

American Medical
Association
Campaign for Tobacco-Free
Kids
National Association of
County and City Health
Officials
Partnership for Prevention

ENACT (Effective National Action to Control Tobacco)

P.O. Box 65168 • Washington, DC 20035 • 1-800-227-2345

ENACT

Effective National Action to Control Tobacco

- A Public Health Coalition -

American Academy of Family Physicians
American Academy of Pediatrics
American Cancer Society
American College of Chest Physicians
American College of Preventive Medicine
American Heart Association

American Medical Association
Association of State & Territorial
Health Officials
Campaign for Tobacco-Free Kids
National Association of County
and City Health Officials
Partnership for Prevention

List of contacts Members ENACT coalition:

American Academy of Family Physicians

Sarah Thomas
Director of Communications
Tel 1-800-274-2237

American Academy of Pediatrics

Marjorie Tharp
Public Affairs Manager
Tel 202-347-8600

American Cancer Society

Emily Smith
Director of Communications
Tel 202-546-4011

American College of Chest Physicians

Lynne Marcus
Vice President of Public Affairs
Tel 847-498-1400

American College of Preventive Medicine

Suzanne Leous
Director of Public Affairs
Tel 202-466-2044

American Heart Association

Trish Moreis
Manager, Public Advocacy Communications
Tel 202-785-7900

American Medical Association

Brenda Craine
Assistant Director - Media and Information Services
Tel 202-789-7447

Association of State and Territorial Health Officials

Cheryl Beversdorf
Executive Vice President
Tel 202-371-9090

Campaign for Tobacco-Free Kids

Kay Kahler Vose
Director, Communications
Tel 202-296-5469

National Association of County and City Health Officials

Donna Grossman
Director of Government Affairs
Tel 202-783-5550

Partnership for Prevention

Kelley O'Brien
Director of Government Affairs
Tel 202-833-0009

P.O. Box 65168
Washington, DC 20035
Phone: (202) 293-1405