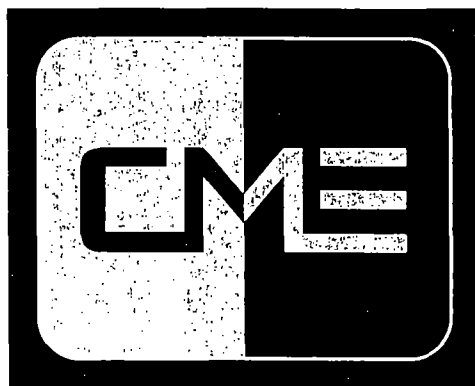




CENTER FOR MEDIA EDUCATION



PHOTOCOPY
PRESERVATION

Alcohol Industry Uses Net to Attract Minors, Study Says

THE WALL STREET JOURNAL FRIDAY, MARCH 7, 1997

By BRUCE INGERSOLL

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — The alcohol industry is using the Internet to pitch more than 35 brands of beer and liquor to underage youth, and cigarette companies appear ready to do the same, the Center for Media Education contends.

The public-interest group released a study saying that 14 liquor companies and 10 major breweries have set up Web sites to promote their products with "a heady blend of humor, hip language, interactive games and contests."

While legal restraints have deterred tobacco companies so far from setting up cigarette-marketing sites in the U.S., the group said it fears some companies are "poised" to move aggressively on-line.

Several antismoking and health groups joined the Center for Media Education in urging government regulators to investigate on-line marketing of alcohol and tobacco. For their part, industry officials denied targeting underage drinkers or smokers, saying their sites are designed to appeal to consumers of legal age.

"Just because you have interactive games doesn't mean your sites are targeting children," asserted Elizabeth Board, spokeswoman for the Distilled Spirits Council of the U.S. Some of the companies singled out in the report, she noted, post warnings at their Web sites that "visitors" must be at least 21 years old. They include Heublein Inc.'s sites for Smirnoff vodka and Cuervo Gold tequila and a Joseph E. Seagram & Sons Inc. (a unit of Seagram Co.) site for Captain Morgan's rum.

"Most of the sites we know of," said Jeff Becker, spokesman for the Beer Institute, "make kids aware they must be 21 or older to drink, or to explore the sites."

The survey found more than 50 smoking-related Web sites that seemed to promote a "smoking-is-cool culture," but it didn't detect any overt signs of cigarette advertising in the U.S. Some tobacco companies, however, have launched advertising sites in Germany and elsewhere.

Representatives of the National Center for Tobacco-Free Kids and other groups said the Food and Drug Administration should extend its restrictions on tobacco advertising to the Internet and that the Justice Department should prosecute any violations of the 1971 Cigarette Act, which bans cigarette ads on radio, television and other media regulated by the Federal Communications Commission.

The Miami Herald

THE FOREMOST DAILY NEWSPAPER OF FLORIDA

FRIDAY, MARCH 7, 1997

Group: Internet ads court children

By ANNE MONCREIFF ARRARTE
Herald Business Writer

Increasingly squeezed out of traditional advertising, tobacco and alcohol companies are moving into cyberspace to pitch their products to young consumers, according to a study released Thursday by a Washington-based consumer watchdog group.

The study by the Center for Media Education looked at 300 Internet sites over a six-month period. It listed web sites for Molsons and Budweiser beer, Malibu Rum, Camel and Lucky Strike cigarettes and Jose Cuervo Tequila as examples of brazen marketing toward consumers between 10 and 20 years old.

"These are sites that use lots of color, music, interactive games and language that appeals to young consumers in order to promote the idea that drinking and smoking are cool," said Shelley Pasnik, the center's director of children's policy and an architect of the study.

Five million children between 2 and 17 and another 9.1 million college students used the Internet or an online service in 1996, the report said.

"The Internet is a hot new medium whose users tend to be younger, so your target market is there and the fact that it is unregulated gives these companies a loophole," Pasnik said. "That is why we feel very strongly that Congress and consumers should take a strong interest in this issue."

Federal and local regulatory agencies already have been cracking down on both public cigarette smoking and product advertising. TV advertising for cigarettes has been banned since the early 1970s, and alcoholic beverage companies have voluntarily avoided television ads.

Many states have established tough restrictions on public smoking. Consumers under age 27 must now show identifica-

Jose Cuervo Tequila; Budweiser

OPEN SPACE: Alcohol and tobacco companies have taken to the Internet to provide interactive games, contests, shopping, information on concerts and sports, and chat rooms. But an advocacy group charges that the sites are just a way to bypass TV and print advertising restrictions, and attract consumers to products they're too young to legally use.

tion proving they are over 21 to buy cigarettes. And companies like Philip Morris have proposed sweeping self-regulation that would prohibit cigarette advertising in areas or at events designed for children and teens.

At the same time, though, tobacco and alcoholic beverage manufacturers are stepping up their marketing efforts. Philip Morris recently launched an "accommodation" campaign, which advocates accommodating smokers in public venues. And some alcoholic beverage companies have returned to television advertising after more than 20 years of their self-imposed ban.

"Unless these products can develop a significant youth following, they will not develop major consumers for future generations," said George Hacker, director of the alcohol policies project for the Center

PLEASE SEE ADS, 5C

Group raps Internet sites

ADS, FROM 1C

for Science in the Public Interest, an advocacy group.

The study was endorsed by the center, as well as the Latino Council on Alcohol and Tobacco, the Campaign for Tobacco Free Kids and the National Parents and Teachers Association.

"These companies are trying to get away with as much as they can for as long as they can," Hacker said. "It's very cynical."

According to Hacker, 11 percent of all alcohol consumers consume 60 percent of all alcoholic beverages.

Alcohol and cigarette manufacturers called the study absurd.

"Responsible advertising, regardless of the medium, is one of our corporate tenets and more important than ever these days, given the sensitivities from special interest groups, the media and the federal government," said Steve Goldstein, a spokesman for Jose Cuervo Tequila. "There are enough consumers of legal drinking age that no one

needs to target underage drinkers."

The brand's web site features an interactive game called the J.C. Roadhog Adventure. The company also has a virtual community online where inhabitants can "separate from our fears, our blues, and our cares, as we enter the doors of our favorite establishment in search of frivolity, and perhaps a margarita or two."

Jan Smith, a spokeswoman for the R.J. Reynolds Tobacco Corp., which produces Camel cigarettes, said her company has not gone after U.S. web surfers, though the company does have a German net site called the Camel Silver Page, which is accessible to anyone on the Internet.

"Our page in Germany does not advertise our cigarettes but instead provides a concert schedule for events in Germany, some of which are sponsored by Camel," Smith said. "We don't want kids to smoke, and with 5½ trillion cigarettes sold around the world every year, there is a large enough market for us without going after kids."

The Washington Post

FRIDAY, MARCH 7, 1997

P

Pro
Metrop

THE WASHINGTON POST

Advocacy Group Faults Web Pages for Alcohol

Companies Deny They're Targeting Underaged

By Rajiv Chandrasekaran
Washington Post Staff Writer

A children's advocacy group charged yesterday that liquor and beer companies are using at least two dozen World Wide Web sites laden with animated characters, interactive games, music clips and other glitzy features to promote their products to underage drinkers.

The Center for Media Education, a Washington organization that promotes educational programming on television and other media, called the sites "inherently unfair and deceptive" and said it is asking Congress and federal regulators to investigate the promotions.

Alcoholic-beverage industry officials disputed the group's findings, saying the sites—including the fun and games—are meant for legal drinkers.

"Just because a site has a game on it doesn't mean that it's appealing to children," said Elizabeth I. Board, a spokeswoman for the Washington-based Distilled Spirits Council of the United States. "Adults who surf the Web are interested in games and find sites with interactivity very appealing."

The center said it agreed that some sites clearly were oriented to adults. But some companies "have turned their sites into an electronic playground," said its president, Kathryn C. Montgomery. "They've

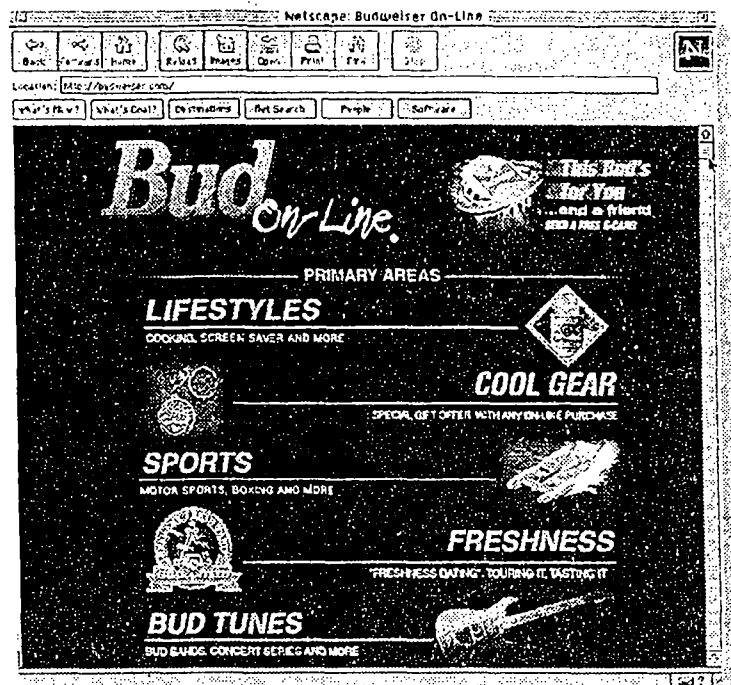
got cartoons and games and other such things that are aimed at young people."

The Internet has grown into a mass-market phenomenon with more than 5 million users between the ages of 2 and 17 last year, according to one recent study, and some groups have expressed concern about the global network's largely unregulated content. To date, though, most criticism has focused on the availability of pornography to children.

Among the alcoholic beverage sites singled out by the group were ones for Captain Morgan Rum, whose "CyberShip 2" site at www.rum.com offers online comedy shows and prizes for drink recipes, and Anheuser-Busch Cos.' Budweiser Beer, whose "Bud On-Line" at www.budweiser.com has sports scores and audio interviews with rock stars interspersed with beer promotions.

Bevin Gove, a spokeswoman for Seagram Co., which makes Captain Morgan, said the rum site is not intended to market products to underage drinkers.

Representatives of liquor companies said most of their sites have warning labels that notify people they must be of legal drinking age to enter. But Montgomery said the labels, many of which appear in small text at the bottom of a user's screen, do not prevent underage drinkers from visiting the sites.



Anheuser-Busch's "Bud On-Line" Web site drew criticism from children's group.

Although most tobacco companies do not advertise on the Internet because of regulatory concerns, the children's group said it found scores of Web sites that focus on cigarettes, most run by smokers' groups and private citizens. On the "Smoker's Home Page," for example, visitors can view photos of celebrities smoking or chat with other smokers.

"There is a definite smoking-is-cool community on the Web," said Wendy Swallow Williams, a former Washington Post reporter who is now an assistant professor of journalism at American University. Williams co-authored the center's report.

The group also mentioned a site called "Circuit Breaker," run by the Brown & Williamson Tobacco

Corp., that doesn't advertise cigarettes but provides information on events such as concerts and parties in the San Francisco area that are sponsored by the company's Lucky Strike brand.

In a statement released yesterday, Brown & Williamson called the site "a totally lawful activity" that promotes awareness of "events, not cigarettes."

A high-technology policy group yesterday cautioned against using the report's findings as a reason to clamp down on Internet content. Jerry Berman, director of the Center for Democracy and Technology in Washington, said parents who are concerned their children might visit inappropriate material on the Web should use new software that screens a site's content.

'Net alcohol, tobacco marketing targets youth, group says

By Dan Trischoff

Alcohol and tobacco companies are using the World Wide Web to promote their products to young people, a Washington-based media watchdog group claims.

The Center for Media Education called for federal investigations and congressional hearings, following its study of 300-plus Websites and review of Internet market research. CME said its study found hundreds of sites "indiscriminately promoting the use of alcohol and tobacco products."

Child psychiatrist Deborah Zarin, representing the American Psychiatric Association, said: "Children are not simply viewing advertisements for to-

bacco and alcohol. They're interacting via especially designed games; they're invited to purchase products like backpacks and jackets branded with company names; they're lured by sophisticated Websites featuring glamorous images of smokers and drinkers and rock music audio."

"While regulatory restraints and the political climate have so far kept the big tobacco companies from launching online cigarette marketing campaigns," CME said, "these companies could be poised to move more aggressively online." The center cited cigarette print ads that draw visitors to a site that collects information while offering free T-shirts.

In addition to ads, games and giveaways, the center and affiliated children's advocacy groups objected to use of the Web for "virtual communities" based on product brands; providing drink recipes, informational surveys offering branded promotional incentives, and use of chat rooms to promote smoking.

The Distilled Spirits Council of the U.S. responded that its code of good practice, which applies to liquor advertising and marketing, also applies to the Internet and mandates avoiding practices that target children. Similarly, Beer Institute spokesman Jeff Becker said his industry followed a voluntary code that avoided

targeting kids, and denied that beer industry Web input was aimed at them. "Our sites say they're for people 21 and older," he said.

Brown & Williamson Tobacco Corp. defended an Internet site it says it underwrites to "promote awareness" of San Francisco-area "bar nights and adult-oriented concerts" as "a totally lawful activity" that promotes events, not cigarettes. The events themselves, the company says, are used to promote its products, however. "Contrary to claims by tobacco prohibitionists," the company said, "the Internet is a vast and diverse communications environment predominantly used by adults."

R.J. Reynolds spokeswoman Maura Ellis said her company was not marketing on the Internet, and had only a corporate home page. "There's nothing there for anyone to object to," she said.

TMA

FRIDAY, MARCH 7, 1997

WASHINGTON EDITION / LOS ANGELES TIMES

Group Says Net Ads Tout Alcohol and Tobacco to Kids

By DENISE GELLENE
and D'JAMILA SALEM-FITZGERALD
TIMES STAFF WRITERS

Alcohol and tobacco advertisers are using graphics and music with strong kid appeal to tout their products on the Internet, an advocacy group asserted Thursday.

The Center for Media Education said that government action is needed to protect children from tempting cyber pitches, some of which may be illegal.

But representatives of alcohol and tobacco companies insisted that they are not using interactive pitches to target kids and teenagers.

"It is absolutely not true," said Beer Institute spokesman Jeff Becker. "We go the extra mile to make absolutely sure the advertising we do is for an audience that can legally buy our products."

The Center for Media Education said about two dozen alcohol brands use cartoon characters, pop music or electronic games in their digital promotions—all features that appeal to children. And dozens more Internet sites feature retailers hawking alcohol and tobacco products, the group said. Few of the digital "stores" check the buyer's age.

No cigarette manufacturer aims digital tobacco ads at American consumers. But the group found plugs for Lucky Strike in Germany that were written partly in English and could be accessed by clever Internet navigators in the United States. It also said that the maker of Lucky Strike, Brown & Williamson Tobacco Corp., has been advertising an Internet site in San

Please see NET, B7

NET: Group Says Web Ads Tout Alcohol and Tobacco to Children

Continued from B5

San Francisco that features hip local hangouts and asks questions about cigarette use.

A spokesman for Brown & Williamson said it is "promoting awareness of events, not cigarettes."

The group asserted that the tobacco pitches violate the Cigarette Act of 1971, which removed cigarette ads from radio and television. But government sources said privately that it is not clear whether the Cigarette Act, written before the digital age, extends to tobacco advertising on the

Internet.

In making its critique, the Center for Media Education is extending scrutiny of alcohol and tobacco advertising to a new medium. The industries have long been under assault for using tactics, such as TV commercials featuring Budweiser frogs and billboards showing Joe Camel, which some believe entice children and teens. Most recently, the distilled spirits industry has been criticized for ending a self-imposed, decades-old ban on television and radio advertising.

The Center for Media Education said Internet pitches are worrisome

because the medium is becoming popular with kids. It said that 5 million children between the ages of 2 and 17 use the Internet at home or in school, and that 9.1 million college students are regular users of the digital communications network.

The number of children exposed to the Internet is bound to increase, given President Clinton's drive to wire every school, the group said.

"This new medium, with its vivid graphics and engaging interactivity, is quickly becoming a powerful presence in the lives of children and youth," said Center for Media

Education President Kathryn Montgomery. "That promoters of alcohol and tobacco have seized upon it so quickly is a troubling sign."

The group called on various government agencies to review its findings. Representatives of the Federal Communications Commission and the Federal Trade Commission said that they would do so.

"The FTC is quite concerned about allegations of tobacco and alcohol advertising, no matter where they are that might be directed to underage youth," a spokeswoman said.

A spokesman for the Justice Department, which enforces the Cigarette Act of 1971, had no immediate comment.

The Center for Media Education pointed to examples of ads that it believes appeal to children. A promotion for Jose Cuervo features a game called "Roadhog Adventure," a wild ride with a cyber rodent through a desert strewn with tequila bottles.

Anheuser-Busch offers colorful bios of its controversial croaking frogs, noting one is a former fraternity president who likes "to hang out on a beach with a hot babe

and a cool Bud."

Jos. E. Seagram & Sons invites visitors to its interactive promotion for Captain Morgan Spiced Rum to dig for buried treasure and send virtual postcards complete with rum images to friends.

Representatives for the three brands said they are not targeting underage drinkers.

"Information about beer does not cause underage drinking," said Francine Katz, vice president of consumer awareness and education at Anheuser Busch. "There is nothing on our Web site that a family would not see when they visit our brewery."

The Philadelphia Inquirer

Friday, March 7, 1997

THE PHILADELPHIA INQUIRER

Tobacco, alcohol Web sites condemned

They beckon youths, a report said. Industry groups denied targeting minors online.

By Reid Kanaley
INQUIRER STAFF WRITER

"Ahoy, mateys," says the colorful opening screen from the online story of Captain Morgan in "Cybership 2: Voyage to the Bottom of the Net."

"Sex on the Beach," "Surf Shop," and "Goin' Coconuts" are three of the choices for getting started on the splashy Web page called Malibu Beach House.

Are these just more time-wasting distractions for young cyber-surfers? Or alcohol advertisements, for Captain Morgan Rum and Malibu Rum, aimed at minors?

The latter, says a report issued yesterday by the Center for Media Education, an advocacy group that has opposed the concentration of media ownership. The report insists alcohol and tobacco companies are using flashy interactive Web games, chat rooms and cartoon characters that appeal to minors on the Internet to market and promote their products.

The report also points to Web sites that will sell alcohol or tobacco products online, without any means of verifying the age of the buyer. The sales sites are not operated by the tobacco and alcohol companies, but by independent vendors.

The center's report calls for congressional hearings; investigations by the Federal Trade Commission, the National Cancer Institute and the Centers for Disease Control, and a cyberspace application of the advertising Cigarette Act of 1971.

Those measures were endorsed yesterday by such groups as the National Parent-Teacher Association, the Campaign for Tobacco-Free Kids and the American Psychiatric Association.

Although the Captain Morgan and Malibu Rum sites on the World Wide Web carry warnings that they are for readers of legal drinking age, officials of the Center for Media Education said such warnings were ineffective.

Alcohol- and tobacco-industry groups denied they were appealing to minors with their online offerings.

"Although our Web sites are very interesting and they do have a lot of activity in there, they are geared for people 21 and over," said Jeff Becker, spokesman for the Beer Institute, an industry trade group.

Becker acknowledged that it is possible to simply ignore age warnings, but said the sites "do not encourage kids to drink, nor do they encourage people to drink too much."

The report took note of a Budweiser site that intersperses music, interviews with rock stars, and reviews of albums with "a steady stream of promotions for the beer."

It also said several beer and liquor

Web sites offered interactive games featuring brand characters. Those sites include Molson Beer's "Berserk in Banff," and Cuervo Tequila's "J.C. Roadhog Adventure," in which a rodent character zooms across a cartoon desert littered with empty tequila bottles and other Cuervo merchandising icons.

"Adults who surf the Web like a lot of interactivity, they like to play games, too," said Elizabeth Board, representative of a trade group called the Distilled Spirits Council of the U.S. "It does not mean the site is targeted to the underaged just because it has a game or interactive elements."

The report, "Alcohol and Tobacco on the Web: New Threats to Youth," examined 300 Web sites, and alleged that many indiscriminately promote the use of alcohol and tobacco products.

While regulatory restraints and the political climate have so far kept the big tobacco companies from starting such campaigns, the report said, those firms may be poised to move online. It cited as an example a music- and nightlife-oriented Web page called Circuit Breaker underwritten by the Brown & Williamson Tobacco Corp., makers of Lucky Strike cigarettes.

No cigarette ads are on the site, though some print ads for Lucky Strike direct readers to it. Kathryn Montgomery, president of the Center for Media Education, said Circuit Breaker amounted to a disturbing "surreptitious" kind of

marketing."

"The Web, unlike radio and television, is a much more fluid and open medium," Montgomery said in an interview.

In a prepared statement, Brown & Williamson said: "We're promoting awareness of events, not cigarettes. The Web site is a totally lawful activity."

Jan Smith, a representative of R.J. Reynolds International, maker of Camel, Winston and other cigarette brands, said the company maintained a corporate Web page, but that it carried no brand information.

"We don't want youths to smoke, period," said Smith, and the company's advertising is "not aimed at a youth audience, online, offline or any other way."

Yesterday's report singled out several "smoking is cool" Web sites, such as the Smoker's Home Page. It features a chat area called Smokey's Cafe, where visitors can view glamorous photos of celebrities smoking, read pro-smoking articles, and consult lists of cigarette and cigar vendors.

None of those sites is known to be sponsored by tobacco companies.

The report identified several Internet sites offering wine, beer, distilled spirits, and tobacco products for sale. A federal law to prohibit sales of cigarettes through vending machines and "self-service displays" takes effect in August. A federal law that took effect Feb. 28 prohibits over-the-counter sales of cigarettes to minors.

Center for Media Education -

Katherine Montgomery
Jeff Chester

IRA ^{Morgan} - Amend White House - electronic Commerce -
reflect unique needs of children -

Alcohol and tobacco together -

- Campaign suggests where tobacco might go.
- Companies uncertain (from trades) whether the Cigarette Act applies - Not certain whether they'll violate act and overall political ~~environment~~ climate

"Any form of electronic transmission" is covered
included fax, telephone lines

2-17 yr olds 5-million -

anticipate the trends -

Specific Sites

Brown and Williamson - Circuit Breaker

Study - under 6 kids don't counter argue

- Where is The Administration -

FCC (could have to say) subject to Act
DOJ responsibility to bring ~~suit~~ action to get
it off.

FIC can bring smokeless cases

- Trying to build consensus that anti-tobacco community
should support the cigarette Act.

- David Vladich - Public Citizen key on first
amendment issues

- ACLU did not intervene in FDA's case

The New York Times

Copyright © 1997 The New York Times

FRIDAY, MARCH 7, 1997

+

On the Web, This Bud's for Your Children

By SETH SCHIESEL

If cyberspace has become an after-school playground, parents may be surprised at some of the characters lurking there.

Take J.C. Roadhog, the cartoonish rodent star of an on-line game who races through a desert littered with empty tequila bottles bearing the label of Cuervo Especial, maker of Cuervo Gold and the sponsor of the game on the World Wide Web.

Visitors to an Anheuser-Busch Inc. Web site called "The Pad" meet Budbrew J. Budfrog, whose biography reveals that he was elected president of his college fraternity and that he "likes to hang on the beach with a hot babe, a cold Bud and a folio edition of the Kama Sutra in its original Sanskrit."

Absolut vodka's home page on the Web features video clips of the

Absolut bottle in various witty disguises, which in the print-advertising versions have recently become collector's items among some children.

Since the advent of the Internet, concerns about children in cyberspace have focused on pornography accessible with the push of a button. Now, children's advocates and public health officials are becoming increasingly concerned that liquor and beer companies and, to a lesser extent, tobacco companies are turning their marketing muscle to cyberspace.

Not only do some of the sites require registration and may elicit household information that youngsters may unwittingly provide for marketing lists. But youth under the legal drinking age, critics say, are especially vulnerable to slick Internet pitches that combine games, on-line chat forums and other sorts of entertainment

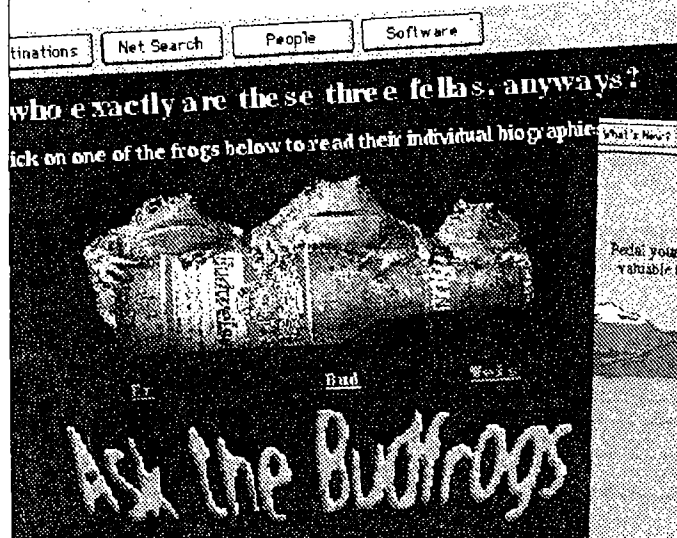
with messages touting drinking and smoking.

"The marketers of alcohol and tobacco see the Internet and the World Wide Web as a powerful way to market their products and reach youth," said Kathryn C. Montgomery, president of the Center for Media Education, a Washington-based nonprofit group that yesterday released a report detailing the on-line efforts of alcohol and tobacco companies.

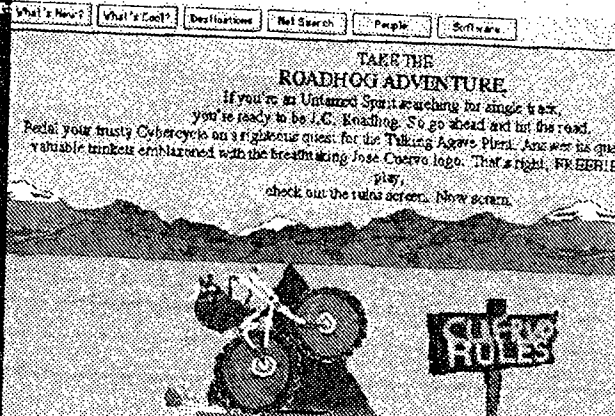
"A lot of what we see has been happening under the radar of most parents," she said. "They have created web sites that are really more like playgrounds. They are really very, very appealing to youth."

The critics include the National Parent Teachers Association, the American Psychiatric Association, the Center for Science in the

Continued on Page B2, Column 3



COOL ONES Children's advocates worry that hip Internet pitches, like these for Budweiser and Cuervo tequila, are being used to lure under-age drinkers.



On the Internet, New Health Threats Are Seen to the Young

Continued From Page A1

Public Interest and the Campaign for Tobacco-Free Kids. These groups argue that the Government should declare that the entertaining Web sites violate the liquor and beer industries' promise not to market to children, and that cigarette Web sites are an unfair way around a quarter-century-old prohibition of tobacco advertising on radio and television.

The new report, which was sponsored by the Robert Wood Johnson Foundation and the Carnegie Corporation of New York, appears to be the first comprehensive look at how alcohol and tobacco companies are marketing in cyberspace. The authors say that at least 35 alcohol brands have full-blown Web sites and that most of them include elements meant to appeal to children.

Some executives of alcohol companies say the criticisms are unfounded.

"We don't think there is anything on the site that has inherent appeal to youth," said John A. Shea, a spokesman for Heublein Inc., the unit of Grand Metropolitan P.L.C. that imports and bottles the José Cuervo family of tequilas. "We strive to in-

sure that our Internet sites are responsible and do not in any way target underage drinking."

Anheuser-Busch's vice president for consumer awareness, Francine I. Katz, said: "The pages attract exactly the visitor we want: male beer drinkers age 21 to 34. There's nothing on this site that a family will not see on an Anheuser-Busch brewery tour."

Bevin Gove, a spokeswoman for the unit of the Seagram Company Ltd. that imports Absolut, said: "Our sites are in no way intended for those under the legal drinking age. We strongly believe that our Web sites meet with our commitment of using responsible and tasteful messages aimed solely at adult audiences."

A representative of the Tobacco Institute, which represents the industry, declined to be interviewed about the new study. Among the examples of tobacco-industry Web sites mentioned in that study is one operated by Brown and Williamson, a unit of B.A.T Industries, as part of its new Lucky Strike cigarette campaign. Though the Web site, called Circuit Breaker, does not mention Lucky Strike, it does offer entertainment information for people in the San Francisco area and free Lucky Strike and Circuit Breaker T-shirts

to visitors who identify themselves as smokers.

In its report, the Center for Media Education urged liquor and beer companies to make their Internet sites less appealing to children. But it hopes to ban tobacco marketing from the Internet altogether. The center asserted in its report that the Public Health Cigarette Smoking Act of 1969, which keeps cigarette advertisements off radio and television, would allow the Federal Communications Commission to ban cigarette

marketing from the Internet.

But top officials of the American Civil Liberties Union, which is fighting the Government's proposed regulation of indecency on the Internet, disagreed strongly.

"The Internet is not a broadcast medium," said Barry S. Steinhardt, the union's associate director. "It is not subject to F.C.C. regulation any more so than newspapers. For the F.C.C. to get involved in regulating the content of the Internet would kill the Internet."

Memorandum on Applicability of 15 U.S.C. 1335 to the Internet

Henry Geller
March, 1997

I. Introduction. This legal memorandum discusses whether the Federal Cigarette Labelling and Advertising Act (herein "Cigarette Act" or "Act"), 15 U.S.C. Sec. 1335, applies to the Internet. It concludes, based on the clear language of the Act and FCC precedent, that it does apply. The memorandum then briefly discusses the constitutionality of such application.

II. The Cigarette Act clearly applies to the Internet.

The Cigarette Act proscribes the advertisements of cigarettes and little cigars "... on any medium of electronic communication subject to the jurisdiction of the Federal Communications Commission."¹ The Act thus involves three elements: (1) an advertisement of cigarettes, as opposed, for example, to a discussion of the problems of smoking (which of course is not barred); (2) a medium of electronic communication, as opposed, for example, to the use of billboards or the print media; and (3) that the medium be subject to the jurisdiction of the FCC.

There is no need for discussion of the first element. While controversy can arise whether a presentation is an advertisement for cigarettes, that is a factual issue to be resolved in the particular circumstances. For the purposes of this memorandum, it is assumed that the presentation is an advertisement such as

¹ The Comprehensive Smokeless Tobacco Health Education Act, 15 U.S.C. 4402(f) (1986), contains a similar prohibition, specifically, that "...it shall be unlawful to advertise smokeless tobacco on any medium of electronic communication subject to the Federal Communications Commission."

now found on billboards or in the print media.

A. The Internet as a "medium of electronic communication."

The Internet is a mosaic of computer networks that links electronically individuals and institutions around the world, thus permitting interactive communications on a national and global scale. The Internet provides a broad set of services, including electronic mail (e-mail), on-line conversation, information/research retrieval, bulletin boards, and games. Because it is electronic, communications on the Internet occur instantaneously and can be targeted to specific individuals or "broadcast" to a large groups.²

The traditional telephone system makes this worldwide Internet communications possible. For the telephone infrastructure typically is involved in every Internet communication at two levels -- both as the carrier of the signal between the computer and the Internet access point and as the provider of many of the transmission services used by the Internet itself.³ A communication sent over this series of linked wires that connect computers around the world could travel many

² See GLEE HARRACH CADY and PAT MCGREGOR, MASTERING THE INTERENT, 1-15 (1996). The World Wide Web ("Web") is a multimedia Internet navigation tool that uses sound and colorful graphics in addition to text. Id. at 342-47. Because of its ability to connect users to other sites through the "hypertext" function (which allows the user to "jump" to different sites by clicking on an underlined phrase), the Web serves as the primary source of advertising on the Internet for a wide array of products. The material displayed on the Web originates on computers around the world that are automatically contacted when one requests material located at these sites. Id. at 342.

³ LANCE ROSE, NETLAW 14 (1995).

different routes to its destination. For example, a message sent from a computer in Washington, D.C., to a computer in Seattle, Washington, might first be sent to a computer in Pittsburg, and then be forwarded to computers in Chicago, Aspen, and Sante Fe, before finally reaching Seattle. Or, if the message could not travel along that path because of a system overload, it would automatically be re-routed, perhaps from Washington to Wilmington, and then to Miami, Little Rock, New Orleans, and San Francisco, before reaching the destination computer in Seattle. This type of transmission and re-routing occurs within a matter of seconds. Thus, although most Internet connections begin with a local call processed through a local telephone provider, these connections involve long distance communications requiring interstate wire line or radio communications between the connected computers.⁴

From the foregoing description, it is clear that the Internet is a "medium of electronic communication."

B. This medium is subject to the jurisdiction of the FCC.

The foregoing analysis also establishes that this medium of electronic communication, the Internet, is subject to the jurisdiction of the FCC for the purposes of 15 U.S.C. 1335. For as shown, the Internet computers are linked by wire or radio communications that are subject to the jurisdiction of the FCC. Section 2(a) of the Communications Act states that provisions of

⁴ Id.; See also Washington Post, April 10, 1996, F4, for a description of Internet access services provided by Bell Atlantic, At&T, and MCI.

the Act "shall apply to all interstate and foreign communications by wire or radio... and to the licensing and regulating of all radio stations..."⁵ Thus, Title II of the Communications Act is applicable to the interstate and foreign common carriers that form such an integral part of the Internet (and Title III to radio telecommunications service providers).⁶

From the standpoint of the applicability of 15 U.S.C. 1335, there is no practical difference between the present largely voice telecom network and the Internet. The voice network consists of interconnected local, long distance, and foreign carriers that transmit voice and data to telephone sets or, say, fax machines. The FCC does regulate the interstate portion in several significant respects but forbears from economic (rate) regulation and has deregulated the customer premises equipment

⁵ The Act defines "wire communication" very broadly to include "... the transmission of writing, signs, signals, pictures and sounds of all kinds by aid of wire, cable, or other like connection between the points of origin and reception of such transmission, including all instrumentalities, facilities, apparatus, and services (among other things, the receipt, forwarding, and delivery of communications) incidental to such transmission." 47 U.S.C. 153(a). See similar broad definition of "radio communications." 47 U.S.C. 153(b).

⁶ The telecommunications providers to the Internet may change over time. Thus, cable television systems are now embarked on providing access to the Internet, as are some satellite operators. But cable comes within the regulatory authority of the FCC under Title VI, and satellites must be licensed and regulated under Title III. Another pertinent development is the 1996 Telecommunications Act, which bestows considerable authority on the FCC with respect to local telecommunications carriers (e.g., as to interconnection, resale, unbundling, etc.). See, e.g., Sections 251, 252, 271.

(CPE) sector.⁷ If an entity used that network to transmit cigarette advertisements via an 800 number or to thousands of fax machines, it would clearly constitute a violation of the Cigarette Act.

But the same thing is true of cigarette advertisements on the Internet: They traverse the same telecom provider paths, with the CPE in this instance being the computers. In both cases, the Cigarette Act is applicable. And in both cases, the FCC, wholly aside from constitutional prohibition, would have no authority to regulate the content of the millions or billions of messages being sent.

The key consideration is that the underlying transmission system is subject to the FCC's jurisdiction. The Commission itself has no authority to enforce the Cigarette Act, and simply advises the Department of Justice (DOJ) as to whether a particular medium of electronic communication is subject to its jurisdiction.⁸ Just as the FTC would be the prosecuting agency as to a false and misleading advertisement or a smokeless tobacco ad on the Internet, so the DOJ would be the moving party as to enforcement of 15 U.S.C. 1335.

Long established FCC precedent makes clear the soundness of the above analysis. Thus, shortly after the effective date of

⁷ See Second Computer Inquiry, 77 FCC2d 384 (1980).

⁸ See In the Matter of Marketing Technologies Group, Inc. Request for Declaratory Ruling on the Applicability of the Cigarette Advertising Prohibition in 15 U.S.C. Sec. 1335, 4 FCC Rcd 2694, 2695-96 (1989) (herein "Marketing Tech. Group").

the Cigarette Act, the Commission received a request for a declaratory ruling that the Act was limited to broadcasting and cable, and did not apply to a service, using thousands of incoming telephone calls, that gave sports results accompanied by advertising messages, including for cigarettes. Stuart Sheftel, 37 FCC2d 619, 620 (1972). The Commission rejected the proposed limitation, stating that "... the broad scope of the language used -- any medium of electronic communication -- clearly eliminates any limitation of the statutory ban simply to radio and television broadcasting and cable television."⁹ It concluded that since interstate telephone calls would be involved, the prohibition of the Act applies. Id. To the same effect, see Joseph D. Peckerman, 48 FCC2d 1056 (1948), holding that the Act's prohibition would apply to closed circuit systems using interstate common carrier facilities, microwave radio, or over-the-air broadcasts.

In the Marketing Tech. Group case, supra, 4 FCC Rcd at 2695-96, the Commission stated that its proper role in this area "... is limited to determining whether the system as a whole, or any of its component parts, is a medium of electronic communication subject to its jurisdiction," and then "... it is for the Department of Justice to determine what action, if any, should

⁹ See Chevron USA, Inc. v. National Resources Defense Council, 467 U.S. 837, 842-43 (1984), holding that clear statutory prescriptions must be followed. Significantly, where Congress wanted to limit its prescription to broadcasting and cable, it did so with explicit language to that effect. See 303a(d), 315(c)(1), 47 U.S.C. 303a(d), 315(c)(1).

follow." It concluded that in the case of the proposed system, "... the interstate common carrier telephone lines by which the host and store computers communicate with each other are 'media of electronic communication' subject to the Commission's jurisdiction."¹⁰ Here in the case of the Internet, the interstate lines are not only a significant component part but indeed, the entire system would collapse without them.

C. The above holding strongly furthers the Congressional intent.

As noted (n.9, supra), the statute is crystal clear and its prescription must therefore be followed. As a further consideration, such action will strongly promote the Congressional intent.

In the 1971 case rejecting a Fifth Amendment claim that the Cigarette Act arbitrarily singles out the electronic media, the Court stated:¹¹

... In 1969 Congress had convincing evidence that the Labelling Act of 1966 had not materially reduced the incidence of cigarette smoking. [fn. citing HEW recommendations and three FTC reports]. Substantial evidence showed that the most persuasive advertising was being conducted on radio and television, and these broadcasts were parti-

¹⁰ Id. The Commission noted that it has not "for the most part" exercised jurisdiction over computers as "media of electronic communication," but noted that it has exercised ancillary jurisdiction over them when used as CPE and that they are also "incidental radiation devices" subject to interference limitations under Section 302 of the Communications Act and Part 15 of the Commission's Rules. Id.

¹¹ Capital Broadcasting Co. v. Mitchell, 333 F. Supp. 582, 585-86 (D.D.C. 1971), aff'd mem. sub nom. Capital Broadcasting Co. v. Kleindienst, 405 U.S. 1000 (1972).

cularly effective in reaching a very large audience of young people. [fn. citing FTC report and another expert]. Thus, Congress knew of the close relationship between cigarette commercials broadcast on the electronic media and their potential influence on young people, and was no doubt aware that the younger the individual, the greater the reliance on the broadcast message rather than the written word...

As shown by the recent FDA report and articles such as the attached appendix,¹² the problem with young people persists today:

... Cigarette smoking begins predominantly in children and adolescents, and the resulting nicotine addiction is a pediatric disease. While the number of adult smokers has decreased, the prevalence of smoking among adolescents has increased markedly during the 1990s; at least 3 million daily smokers are below the age of 18. Moreover, 82 percent of adults acknowledge that they smoked their first cigarette before age 18. [See Appendix].

In these circumstances, it is all the more important the clear language of 15 U.S.C. 1335 be followed, with the Internet thus coming within its ambit. For young children and adolescents are attracted to the Internet in ever increasing numbers. Thus, the summary of the CME Report, released March 6, 1997, states that "[n]early five million children between the ages of two and seventeen used the Internet or an online service at home or school in 1996 and their numbers are expected to increase dramatically in the next few years."¹³

¹² The Washington Post, March 13, 1997, at A23, attached as an appendix hereto.

¹³ At projected rates, the number is expected to quadruple by the close of the decade; more than 37 percent of all Internet users are under the age of eighteen. Kathleen Murphy, "Web Marketers Aim Their Sites at Digital Kids," Webweek, No. 1995

II. Application of 15 U.S.C. 1335 to the Internet is constitutional.

The discussion here will be brief because there are pending cases that will shed more light on the constitutional issue before any Internet cigarette advertising ban would likely come before the courts. Most important in this respect is the resolution of the case now before the North Carolina district court as to the constitutionality of the FDA advertising restrictions on cigarette advertising.¹⁴

As noted, the constitutionality of the Act was sustained in the 1971-1872 Capital Broadcasting case against both First and Fifth Amendment challenges. See supra, at 7-8. The First Amendment challenge was decided at a time when the Court had not yet developed its commercial speech protection jurisprudence, and specifically the four-part Central Hudson test:¹⁵

(1) For commercial speech to come within [the protection of the First Amendment], it at least must concern lawful activity and not be misleading; (2) Next, we ask whether the government interest is substantial. If both inquiries yield positive answers, we must determine (3) whether the regulation directly advances the government interest asserted, and (4) whether it is not more extensive than is necessary to serve that interest.

Section 1335 would, I believe, readily pass the above test.

(citing Jupiter Communications).

¹⁴ Coyne, Beahm, Inc. v. U.S., M.D. N.C., Greensboro Div., Civ. Action 2: 95CZ00591; see also Penn Advertising v. Schmoke, ___ F.3d ___ (4th Cir. 1996), pet. for rehearing pending.

¹⁵ See Central Hudson Gas & Electric Corp. v. Public Service Comm. of New York, 447 U.S. 557 (1980); see also 44 Liquormart, Inc. v. Rhode Island, 116 S. Ct. 1495 (1996).

If the advertisement were not shown to be directed to minors and thus misleading, we would come to the second prong -- whether the government interest is substantial. In light of the unprecedented health consequences of cigarette smoking and the urgent need to curtail such smoking by young people, the governmental interest is not just substantial -- it is the most compelling responsibility of government. See Appendix. The regulation in 15 U.S.C. 1335 does directly advance that interest by curtailing advertisements, enticing young people to become addicted, over the electronic communications, the media most watched by youths. Finally, there is a reasonable fit between the government's interest and the means chosen to accomplish that interest; indeed, since the ban is limited to the electronic communication, it leaves ample opportunity to advertise to the adult audiences in print and other media.¹⁶

In short, in light of the developments that have occurred since 1969, it is difficult to believe that the Supreme Court will now act, after a quarter of century of its application, to invalidate the Cigarette Act and permit cigarette advertisements to flood broadcasting, cable, and the other emerging electronic communications like DBS, LMDS, and MMDS.

¹⁶ Significantly, the government has not here entirely prohibited the dissemination of the commercial message, and thus would not come within the stronger protection formulated in the opinion of Justice Stevens (joined by Justices Kennedy and Ginsburg) in 44 Liquormart, 116 S. Ct. at 1507. Further, unlike in that case, the fit between the ends and the means is not "... too imprecise to withstand First Amendment scrutiny" (opinion of Justice O'Connor, for herself and the Chief Justice, Justice Souter and Justice Breyer).

Finally, it may be argued that application of 15 U.S.C. 1335 to the Internet stands on a different constitutional footing because of the unique nature of the Internet, and specifically the availability of software solutions to accomplish the governmental interest.¹⁷ The Communications Decency Act (CDA) comes within the strict scrutiny test, and for the reasons set out by the district court, resulted in banning the presentation over the Internet of material that has First Amendment protection such as the AIDS material mentioned in the decision; in the circumstances, the availability of alternatives such as the software applications, even if imperfect, is most pertinent to the question whether the least restrictive alternative had been adopted. As noted above, the Cigarette Act does not come within strict scrutiny but rather the intermediate standard of Central Hudson. In the circumstances described above -- the unprecedented importance of the governmental interest and the reasonable fit between that interest and means chosen, the Cigarette Act is constitutional.

¹⁷ See the holdings of the district court in ACLU v. Reno, Nos. 96-963, 96-1458, 929 F. Supp. 824 (E.D. Pa. June 11, 1996), now pending before the Supreme Court, Case No. 96-511.

Free-Speech Smokescreen

APPENDIX

the Washington Post
March 13, 1997, A23

Last August the FDA issued regulations severely restricting the sale, promotion and advertising of cigarettes to minors. The regulations represent a historic public health initiative to prevent the 400,000 premature deaths in the United States associated with tobacco use each year.

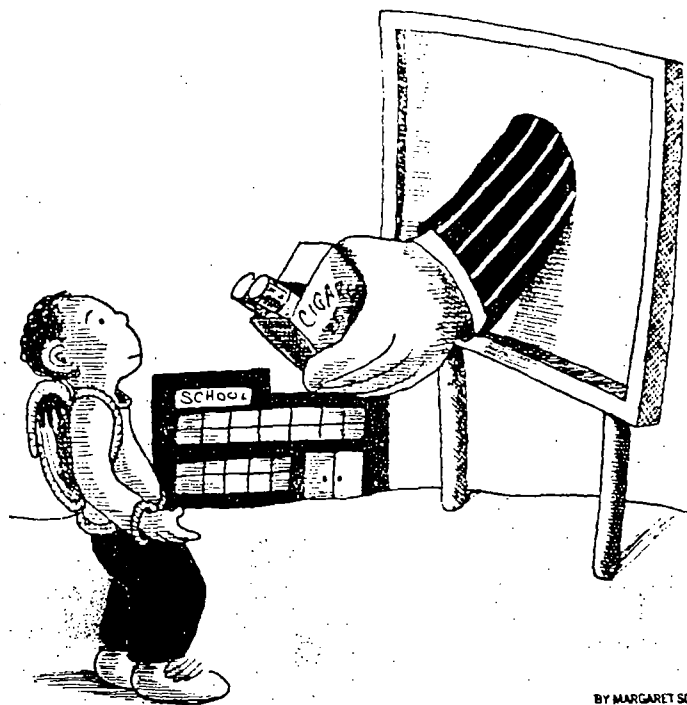
The tobacco industry and advertisers now are challenging the FDA rules in the federal district court in Greensboro, N.C., claiming the agency has no authority to regulate cigarettes as "drug-delivery devices" and, more important, that the rules violate the First Amendment to the Constitution. The case will determine how far government can go in curtailing commercial speech to protect public health.

The FDA regulations prohibit: (1) color and images in cigarette advertisements unless the advertisement appears in an adult publication; (2) outdoor advertisements, including billboards within 1,000 feet of any playground or school; (3) promotional offers of non-tobacco products such as T-shirts, hats and posters that display the cigarette logo or selling message; and (4) sponsorship of sporting and other events or teams using the brand name.

Society, of course, must remain respectful of the constitutional and ethical values at stake when freedoms of expression are suppressed. As the Supreme Court has emphasized: "A consumer's interest in the free flow of commercial information . . . may be as keen [as], if not keener by far than, his interest in the day's most urgent political debate." The tobacco industry, even if it is despised by some segments of society, clearly has the right to provide consumers with truthful information about its product, such as the price and contents.

The industry does not, however, have the First Amendment right to target children and adolescents with misleading and deceptive information about a product that is highly addictive and likely to cause serious illness and premature death. Considering that the informational value of tobacco advertising is so low and the health consequences so dire, the courts have compelling reasons to affirm the FDA's historical, social and legislative mission to protect the public health.

First, safeguarding the public health is perhaps the most important responsibility of government, and the health consequences of cigarette smoking are unprecedented. Tobacco use is the single leading cause of preventable mortality—greater than the deaths attributable to AIDS, motor vehicle accidents, alcohol, homicides, illegal drugs, suicides and fires combined. Direct medical care expenditures attributable to smoking are estimated at \$50 billion per year, which does not include the indirect costs associated with illness and premature mortality, estimated at \$47 billion per year.



BY MARGARET SCOTT

Sterile estimates of direct and indirect costs, however, do not begin to measure the true loss to individuals, families and society from tobacco-related diseases. There exist profound social benefits of reducing smoking in America, including less personal pain and suffering, more energetic lifestyles and healthier parents and children.

Second, tobacco advertising and promotional campaigns are replete with images and text that are substantially misleading. These campaigns associate tobacco use with healthy, adventurous, glamorous lifestyles, portraying smokers as successful, fun-loving people. They can deceive consumers into believing that cigarette health warnings are exaggerated and that smoking is consistent with a robust, healthy and active existence. For example, the Newport "Alive with Pleasure" campaign used scenes of healthful outdoor activities, implying that tobacco use is safe and the choice of healthy, active people.

Third, the FDA regulations are directed at preventing the sale of tobacco to minors, which is unlawful in every state. Cigarette smoking begins predominantly in children and adolescents, and the resulting nicotine addiction is a pediatric disease. While the number of adult smokers has decreased, the prevalence of smoking among adolescents has increased markedly during the 1990s; at least 3 million daily smokers are under the age of 18. Moreover, 82 percent of adults acknowledge that they smoked their first cigarette before age 18.

Despite industry claims that its advertisements and promotions do not target youth, tobacco marketing reaches and influences a substantial number of underage persons. For example, the "Smooth Character" (Joe Camel) campaign primarily attracted

a youth market: Very young children were as familiar with Joe Camel as with Mickey Mouse, and, three years after the introduction of the campaign, the proportion of smokers under 18 years of age who chose Camels rose dramatically.

One internal R. J. Reynolds memo from the mid-1970s discovered during tobacco litigation stated, "Evidence is now available to indicate that the 14-to-18-year-old group is an increasing segment of the smoking population. RJR-T must soon establish a successful new brand in this market if our position in the industry is to be maintained."

The tobacco industry has long argued that cigarette smoking should be seen as a voluntary choice of individuals and thus should not be subject to government regulation. This argument is eroding in light of the scientific research showing the highly addictive quality of nicotine; the industry's knowledge of the addictive effects and its possible manipulation of nicotine content in cigarettes; the exploitation of vulnerable children; and the industry's apparent targeting of minors, women and minorities in advertising.

To be sure, tobacco manufacturers and advertisers have constitutional rights. But in weighing their rights, it is important to separate an honest attempt to provide the truth to consumers from a campaign of misleading claims and images directed at vulnerable groups and designed principally to gain commercial advantage.

Lawrence Gostin is a law professor at Georgetown University. Peter S. Arno is a health economist at the Montefiore Medical Center in New York. Allan M. Brandt is a professor at the Harvard Medical School.

MEADOWLANE ENTERPRISES INC.

15201 BURBANK BOULEVARD • SUITE 8
VAN NUYS, CALIFORNIA 91411
(818) 988-3830 • FAX (818) 988-0276

STEVE ALLEN
President

JAYNE MEADOWS ALLEN
Vice-President

BEVERLY A. FREEMAN
Secretary - Treasurer

PHOTOGRAPH POLICY PROCEDURES

For

STEVE ALLEN APPEARANCES

PLEASE NOTE THAT OUR OFFICE MUST APPROVE ALL PICTURES PRIOR TO REPRODUCTION AND PUBLICATION. This means every single picture, except for any which you might already have personally decided to destroy. It does not mean only those three or four that you hope to use at the moment.

The procedure for approval is simple:

- Submit either small prints or proof (contact) sheets -- *not* necessarily 8 x 10s -- to the attention of Cristina Stewart, at the address above.
- We will designate those pictures which can and those which cannot be used and return to you at once. This is usually done the same day they are received. On occasion it may take a day or two longer, but we assure you there has never been a problem about our granting quick authorization.

Please contact our office if you have any questions.



The Deceiving Web of Online Advertising



A new danger for children and families may be lurking inside your computer. If your children spend time on the Internet, the World Wide Web, or a commercial online service, advertising may be manipulating your children and invading their privacy. Currently more than a million children under the age of 18 are online, and that number is expected to climb to 15 million by the turn of the century. As a parent, you need to understand what your children are exposed to in this new electronic medium, which has the unprecedented ability to transform children from online participants to online customers without their knowledge.

Do You Know...?

...Your children are often asked to give out personal information, including name, address, phone number, favorite product information, and facts about parents and siblings, to gain access to many online areas.

...Marketers can sell your children's personal information to send mailings, make phone calls, or develop targeted computerized advertisements.

...Some companies require children to provide personal information to play a game or join a club, while other companies lure information from children by offering hard-to-resist prizes and free merchandise like portable compact disc players and video games.

...Animated product "spokescharacters" interact with your children through online birthday cards and E-mail, fostering intimate relationships that compel your children to buy specific products and services.

...Your children may be unaware of the unique power that interactive advertising has over them.

Marketers are pouncing on every opportunity to make money in this new electronic selling space, which has no regulatory safeguards. Major companies are involved in some or all of these practices: Kellogg's, Frito-Lay, Disney, McDonalds and Warner Bros. are just a few. Advertising permeates online areas aimed at children because the under-18 market is highly lucrative. In a single year, children under 12 spend a total of \$14 billion, while teenagers spend \$67 billion. And these two groups combined influence \$160 billion of their parents' annual spending. Knowing that children cannot resist the mesmerizing effect of cyberspace, advertisers are now using this unregulated medium—one where children are more adept than adults—to leverage children's buying power.

The Center for Media Education (CME) recently completed a six-month investigation of online advertising and marketing techniques geared toward children. CME unearthed corporate home pages on the World Wide Web hawking everything from potato chips, fast food chains, and cereal to videotapes, toys, and movies. Some companies concentrated on data collection,

while others focused on building brand identity. CME discovered sites using a soft-sell approach to their products by disguising them in commercial playgrounds, while other companies went straight for the hard sell using virtual stores. CME even found that some of the children's areas in commercial online services contains unlabeled advertising.



Do You Know...?

...Computer technology makes it possible for companies to track every move your children make while they are using commercial online computer services or the World Wide Web.

...Companies target their online advertising to children as young as 4 in an attempt to develop "brand loyalty" as early as possible.

...Many companies design sites to bypass adult authority while preying upon the vulnerabilities of children, who—unlike adults—move effortlessly through the colorful, interactive world of cyberspace.

...Advertisers hire psychologists and anthropologists to probe children's minds to find out what attracts them to cyberspace, and then marketers exploit these "hidden motivators" to develop intimate, consumer-driven relationships with children.

And this is just a harbinger of even more advanced marketing mechanisms that will emerge as the interactive media environment continues to develop without proper safeguards. Currently, advertisers in cyberspace are free from regulation. Unlike television, which has basic guidelines to protect children from unfair advertising techniques, the latest electronic medium has no such safeguards.

Fortunately, there is another option. Parents, policy makers, children's advocates, and industry leaders can work together to establish guidelines for advertising to children, while work-

ing to promote the exciting educational and cultural opportunities on the digital frontier.

The Center for Media Education has called upon the Federal Trade Commission, the agency responsible for policing false or deceptive advertising claims, to conduct a comprehensive investigation of online advertising and to establish policies to protect children. Joining CME in a call for regulatory safeguards are the National PTA, Center for Science in the Public Interest, Consumer Federation of America, the Electronic Privacy Information Center, and the Academy of Child and Adolescent Psychiatry.

As a parent, take time to visit online areas aimed at children. You may be outraged by what you see. Let's work together to safeguard our children from deceptive and exploitative online advertisers.

Take Action!

- Teach your children that they should not give out any personal information in cyberspace, just as they should not talk to strangers in their neighborhood.
- Talk with other parents you know and make them aware of the dangers of online advertising.
- Educate your local PTA, school board, and other children's advocacy groups about the issue.
- Write a letter or organize a letter-writing campaign to the Federal Trade Commission; contact CME for a sample letter.
- Spend more time with your children while they are online.
- Make sure your children's school has policies that restrict the use of commercially-oriented areas.
- Complain to companies that use deceptive practices to target your children online. Your voice is important.



About the Center for Media Education

The Center for Media Education is a non-profit, public interest organization founded in 1991 to improve the quality of electronic media for children, families, non-profit organizations, and the general public. This Fact Sheet is part of CME's Action for Children in Cyberspace project, a research, organizing, and public education initiative dedicated to ensuring that the information superhighway is a positive force in children's lives. You can support this program by sending a tax-deductible contribution to the Center for Media Education. To learn more about our work or to order a copy of the report, "Web of Deception: Threats to Children from Online Marketing," contact us or visit our Web site: Center for Media Education, 1511 K Street, NW, Suite 518, Washington, DC 20005; Tel: 202-628-2620; Fax: 202-628-2554; E-mail: cme@cme.org; Web site: www.cme.org/cme

The New York Times

Copyright © 1997 The New York Times

FRIDAY, MARCH 7, 1997

+

On the Web, This Bud's for Your Children

By SETH SCHIESEL

If cyberspace has become an after-school playground, parents may be surprised at some of the characters lurking there.

Take J.C. Roadhog, the cartoonish rodent star of an on-line game who races through a desert littered with empty tequila bottles bearing the label of Cuervo Especial, maker of Cuervo Gold and the sponsor of the game on the World Wide Web.

Visitors to an Anheuser-Busch Inc. Web site called "The Pad" meet Buddrew J. Budfrog, whose biography reveals that he was elected president of his college fraternity and that he "likes to hang on the beach with a hot babe, a cold Bud and a folio edition of the Kama Sutra in its original Sanskrit."

Absolut vodka's home page on the Web features video clips of the

Absolut bottle in various witty disguises, which in the print-advertising versions have recently become collector's items among some children.

Since the advent of the Internet, concerns about children in cyberspace have focused on pornography accessible with the push of a button. Now, children's advocates and public health officials are becoming increasingly concerned that liquor and beer companies and, to a lesser extent, tobacco companies are turning their marketing muscle to cyberspace.

Not only do some of the sites require registration and may elicit household information that youngsters may unwittingly provide for marketing lists. But youth under the legal drinking age, critics say, are especially vulnerable to slick Internet pitches that combine games, on-line chat forums and other sorts of entertainment

with messages touting drinking and smoking.

"The marketers of alcohol and tobacco see the Internet and the World Wide Web as a powerful way to market their products and reach youth," said Kathryn C. Montgomery, president of the Center for Media Education, a Washington-based nonprofit group that yesterday released a report detailing the on-line efforts of alcohol and tobacco companies.

"A lot of what we see has been happening under the radar of most parents," she said. "They have created web sites that are really more like playgrounds. They are really very, very appealing to youth."

The critics include the National Parent Teachers Association, the American Psychiatric Association, the Center for Science in the

Continued on Page B2, Column 3

Destinations Net Search People Software

who exactly are these three fellas, anyways?

click on one of the frogs below to read their individual biographies

Bud Weir Wes

Ask the Budfrogs

TAKE THE ROADHOG ADVENTURE

If you're an Untamed Spirit searching for single track, you're ready to be J.C. Roadhog. So go ahead and hit the road. Pedal your trusty Cybercycle on a righteous quest for the Talking Agave Plant. And win the quest valuable trinkets emblazoned with the breathtaking Jose Cuervo logo. That's right, FREE BICHIE play. check out the rules below. Now scan.

GOALS

COOL ONES Children's advocates worry that hip Internet pitches, like these for Budweiser and Cuervo tequila, are being used to lure under-age drinkers.

On the Internet, New Health Threats Are Seen to the Young

Continued From Page A1

Public Interest and the Campaign for Tobacco-Free Kids. These groups argue that the Government should declare that the entertaining Web sites violate the liquor and beer industries' promise not to market to children, and that cigarette Web sites are an unfair way around a quarter-century-old prohibition of tobacco advertising on radio and television.

The new report, which was sponsored by the Robert Wood Johnson Foundation and the Carnegie Corporation of New York, appears to be the first comprehensive look at how alcohol and tobacco companies are marketing in cyberspace. The authors say that at least 35 alcohol brands have full-blown Web sites and that most of them include elements meant to appeal to children.

Some executives of alcohol companies say the criticisms are unfounded.

"We don't think there is anything on the site that has inherent appeal to youth," said John A. Shea, a spokesman for Heublein Inc., the unit of Grand Metropolitan P.L.C. that imports and bottles the José Cuervo family of tequilas. "We strive to in-

sure that our Internet sites are responsible and do not in any way target underage drinking."

Anheuser-Busch's vice president for consumer awareness, Francine I. Katz, said: "The pages attract exactly the visitor we want: male beer drinkers age 21 to 34. There's nothing on this site that a family will not see on an Anheuser-Busch brewery tour."

Bevin Gove, a spokeswoman for the unit of the Seagram Company Ltd. that imports Absolut, said: "Our sites are in no way intended for those under the legal drinking age. We strongly believe that our Web sites meet with our commitment of using responsible and tasteful messages aimed solely at adult audiences."

A representative of the Tobacco Institute, which represents the industry, declined to be interviewed about the new study. Among the examples of tobacco-industry Web sites mentioned in that study is one operated by Brown and Williamson, a unit of B.A.T Industries, as part of its new Lucky Strike cigarette campaign. Though the Web site, called Circuit Breaker, does not mention Lucky Strike, it does offer entertainment information for people in the San Francisco area and free Lucky Strike and Circuit Breaker T-shirts

to visitors who identify themselves as smokers.

In its report, the Center for Media Education urged liquor and beer companies to make their Internet sites less appealing to children. But it hopes to ban tobacco marketing from the Internet altogether. The center asserted in its report that the Public Health Cigarette Smoking Act of 1969, which keeps cigarette advertisements off radio and television, would allow the Federal Communications Commission to ban cigarette

marketing from the Internet.

But top officials of the American Civil Liberties Union, which is fighting the Government's proposed regulation of indecency on the Internet, disagreed strongly.

"The Internet is not a broadcast medium," said Barry S. Steinhardt, the union's associate director. "It is not subject to F.C.C. regulation any more so than newspapers. For the F.C.C. to get involved in regulating the content of the Internet would kill the Internet."

6-21-55
tobacco

Process —

Walter Holton, US Atty

Walter Dellinger — will review decision right away
— w/in 3-4 hours if possible that we will appeal.

Lewy's convene 4:00 pm —

— Appeal?

— FDA authorities — affect

— 1st Amendment Case —

PITUS says — Asked DOJ, HHS, FDA to study
expediently

— My understanding that they're
meeting as we speak. —

— Say — preparing for this decision —

Outright loss on jurisdiction. —

Dellinger — Studied this — concluded it's
careful. —

— 11th Circuit in Richmond —

① Appeal

— Make expedition decision too

— 1 thousand kids start smoking —

— ~~Maybe~~ a while this is w/ing through the
courts. —

Kevin — Don't want list of ideas to
be too small

— focused on kids. —

PITUS goes to make smit — right after the has
reviewed — 4:00

Next Day - File notice of appeal -

- FDA/HHS lawyers speak a word -

Even if we can

Day 1 - POTUS statement - window dressing
2 - File appeal strategy.

Day 2 - Reconnere

THE WHITE HOUSE
WASHINGTON

Over last 15 years curve of
marketing expenditures
dramatically increases
in early 90's

— Hit - \$4, 5, 6 billion

in last 6-7 years

— Manor in which they
spend money is changing
dramatically - to
garage, other
media focused on kids

THE WHITE HOUSE
WASHINGTON

- Ratcheting up the advertising
for packages
- collector and packs
- and cash coupons

— PM - record label -
concert tour and
cd's -

- 14 city tour -
Virginia Slims
JH is a women's thing

THE WHITE HOUSE
WASHINGTON

Winston auto ~~to~~ ^{NASCAR}

- Winston playgram
on -

Camel/Winston ads
all over the place

- Simulator has you
drive by cigarette ads.

FTC Reports - 2 yrs
delayed - on government.
More subtle than Camel

THE WHITE HOUSE
WASHINGTON

- Kids are high percent of
audience is ~~the~~ interior
- No + clear how covered
it is by electronic media

- Lucky Strike campaign
in Germany is half in
English

- Camel/Lucky Strike would
cause how and say it done
in U.S.

- Unique set of symphonies
to glorify tobacco

THE WHITE HOUSE
WASHINGTON

Internet worth talking

about.

Adventures in

Elizabeth -

I was asked
whether there was
anything we could do
to encourage states &
communities to join
this battle. Is there
anything there? PLS
~~advise~~ advise. Thanks.

— Pauline

Suffer the children

Maryland is doing little to stop youths from smoking

By TAYLOR BRANCH

WAKE UP, Maryland! A miracle remedy for our state's long-lamented cancer death rate — fourth highest in the nation — lies within reach. While complex plagues such as poor schools and job loss may require solutions not yet imagined, the scourge of cancer will yield to a small campaign, led by children. A mere handful will do. They can arrest the long treadmill of costly suffering and premature death without new budget investments or bureaucracy. All the children need is the clear-headed support of voting citizens.

How? They have come maddeningly close already. Last summer, eight teenagers fanned out across Maryland like Joshua's scouts into Canaan. Trained by state revenue officers, they busily offered to buy cigarettes at 881 Maryland retail stores over a two-week period. They met no resistance at 110 of 110 vending machine sites (99 percent), or at 371 of 796 clerk-tended counters (46.5 percent). Because Maryland, like every state, bans cigarette sales to buyers under 18, the monitoring revenue officers could have — should have — followed right behind with a citation for the vendor each time a teen-age spot checker obtained cigarettes. If they had done nothing more than this, the lethal commerce of child addiction would be flushed out toward extinction by now.

But timid state authorities stopped short. For fear of political controversy, they made the two-week effort a "study" instead of an enforcement drive, and even that was undertaken under mandate of federal law.

The survey merely confirmed what every teen-ager knows: Tobacco enforcement is a joke. Although Maryland statutes more than a century old (dating back to 1886) decree that those who sell tobacco to minors shall pay fines ranging from \$300 up to \$3,000 for repeat offenses, there were

Taylor Branch is the Pulitzer Prize-winning author of *Parting the Waters: America in the King Years, 1954-63*.



ASSOCIATED PRESS / 1996

Today's teen-age smokers are tomorrow's terminal patients, just as yesteryear's new smokers produced nine new lung cancer patients in Maryland every day.

no such cases brought in 1996 and none yet reported for 1997. Zero. It is small comfort that many states do no better. Virginia has not punished a single underage tobacco sale since 1990, and an embarrased Gov. George E. Pataki is scrambling to find a solitary example in New York.

Our dizzy priorities come straight out of Alice in Wonderland. In one of 186 workplace inspections last year, MOSH officers fined President Carolyn Mamusak \$1,312 for smoking alone in the bathroom of her private office at Villa Julie College, thereby protecting from secondary smoke anyone who might have breathed tobacco fumes that escaped her bathroom door or window. No such effort protects the 60 Maryland kids who become new smokers each day, supplied by illegal but more or less open

transactions. A third of these new smokers eventually will die early of tobacco-related heart or lung diseases — roughly 6,000 per year by the mid-21st century. Their extra health care will cost Maryland roughly \$170 million a year at today's prices.

Similarly, Maryland troopers who rightly scour every jurisdiction for highway speeders give no thought to state laws on underage tobacco sales. No one expects them to, even though:

- Smoking kills eight people for every traffic fatality.
- More than 80 percent of those who ever smoke begin illegally before 18.

- Youth smoking has risen 60 percent in the 1990s. About 20 percent of eighth graders now qualify as regular smokers. More than 30 years after the tobacco companies grandly

Saving Md. youth from big tobacco

[Tobacco, from Page 1F]

pledged to end marketing to those under 21, the high school smoking rate of 35 percent now exceeds the legal, adult rate of 25 percent.

Today's teen-age smokers are tomorrow's terminal patients, just as yesterday's new smokers produced nine new lung cancer patients in Maryland every day. Their chances of surviving five years after detection are stuck at a chilling 13 percent, because lung cancer resists new treatments that have cured or retarded other cancers, such as those of the stomach, cervix and liver. Lung tumors now kill more Marylanders than breast and prostate cancers combined. A lag time of decades means that the death rate among women has grown fivefold since 1960, in the era of tobacco-marketed liberation.

Why do we put up with this? How can the epidemic of youth smoking continue when all parties, including the tobacco companies, proclaim their dedication to stop it?

A smokescreen of arm-waving gestures leaves us apathetic and blindly misguided. Suppose for a moment that we tried to enforce highway laws the way we control nicotine traffic. Troopers who chase down mad motorists would be authorized only to hand out "Speed kills" bumper stickers and recommend safe driving classes. Judges might allow lawyers to argue in the abstract how fast one might "intend" to go, but courts would never act upon or even consider any driver's actual speed.

The obvious vulnerable spot of youth smoking is the illegal flow of money at the point of sales. Tobacco smoke is nasty and unpleasant even for the "coolest" beginners, and experimental smokers require convenient nurturing to develop an addiction that demands constant supply. This "hooking" phase is not a pretty part of the business, which makes cigarette defenders extremely sensitive about point-of-sale enforcement. They stave off the whole idea with their favored alternatives:

- Sticker displays, warnings, "mandatory" ID checks, training programs for clerks, rules on the placement of vending machines. Such plans sound vigorous and promising, but they always skirt the central question of enforcement.

- Education. Cigarette promot-

ers prefer education campaigns to enforcement, which they reject as "anti-business." In fact, spot-check fines are the most economical, least intrusive tool against underage smoking. They avoid cumbersome regulations and paperwork. The method does not interfere with adult smokers, and leaves proprietors free to decide for themselves how to make sure no underage smokers buy cigarettes on their premises. It pinpoints irresponsible vendors with fines heavy enough to make youth sales lose money. Honest, diligent vendors (roughly half the stores in last summer's study) not only escape fines but enjoy relief from unfair competition.

- Punishment for children instead of vendors. In 1994, lobbyist Bruce Bereano and tobacco forces deftly reshaped an enforcement bill to focus new penalties on the young buyers of cigarettes. Their maneuver subverts the entire rationale for underage tobacco law, of course, which holds adults accountable for fateful smoking decisions by minors.

- Blaming middle-schoolers and high-schoolers is ineffective, unprincipled, and downright ghoulish, because nicotine addiction fastens even harder upon children than adults. Half of Maryland's eighth-grade smokers say they have tried to quit already — and failed. Ninety-five percent of new teen-age smokers say they intend to quit within a year, but only 25 percent succeed within a decade.

In a pinch, tobacco interests will say that enforceable spot checks by a few deputized teen-agers would "corrupt" our youth in tattletale crime — never mind the comparable effect of routine sales welcoming thousands to the big illicit ashtray. Or they object that the economy cannot stand a serious drive against illegal smoking — as though Maryland's prosperity really depended on turning a fresh supply of pink lungs into soot-seared crusts.

These evasions should surprise no one. It is their practice to blow smoke rings and our choking task to see through them. What galls is that big tobacco regards states like Maryland so lightly.

Although the Clinton administration's pending regulations on youth marketing are limited, and subject to lengthy constitutional appeal, the Tobacco Institute is fighting them desperately because

the stakes and the relative importance of federal politics are so high. Tobacco also fears the myriad local governments as unpredictable, though purty, and has pushed through the legislatures of 27 states recent boilerplate laws that curtail or forbid local ordinances on cigarettes.

Ironically, tobacco works hard to stay in the hands of the very jurisdictions that have the acknowledged power to enforce laws against underage smoking — the states. Why? Maryland and sister states have proven to be docile pushovers for scoundrels in the cigarette business.

The General Assembly now meets in Annapolis. Rumors fly of bank-shot deals that might use profits of one crassly addictive new vice (slot machines) to shore up

horse racing purses, cut income taxes, and scuttle Gov. Parris N. Glendening's proposal to raise cigarette taxes. A jingle of hard cash echoes from the background.

This is our legislature. Plenty of good people serve in it, but voters are responsible for the outcome and the tone of debate. Whatever happens in the gambling-and-tax thick-et, a strong resolution on youth smoking would shine with the courage of proper adults.

Instead of averting our eyes from garish sales to puffing kids, we could work a revolution of leadership against cancer and cynicism at once. We could restore faith with new generations that yearn — literally — to breathe free. The enforcement issue stands alone. It touches nothing but the self-respect of citizens and the health of our children.

MEMORANDUM FOR BRUCE REED

FROM: Elizabeth Drye

SUBJECT: Presidential Remarks for Kick Butts Day on the Internet and Other Advertising Media.

You had asked whether the President should speak out against tobacco advertising on the Internet at his April 15 Kick Butts Day visit to a Brooklyn school. As discussed below, tobacco companies are not currently directly advertising on the Internet at any U.S. sites, but they are using the Internet in new ways that might recruit youth smokers. As important, tobacco companies have recently used bold new advertising tactics that could reach youth in other media. For example, R.J. Reynolds has moved attractive Joe Camel imagery onto the cigarette packs themselves and is marketing "collector pack" series. Virginia Slims is sponsoring a concert tour and CD attractive to teenage girls.

The President should speak out against any future use of the internet to advertise tobacco that could reach youth. In addition, he should condemn the youth oriented advertising campaigns that are already under way in other media.

Tobacco Advertising on the Internet

A March 6, 1997 Center for Media Education (CME) report, *Alcohol & Tobacco on the Web: New Threats to Youth*, documenting alcohol and tobacco companies' use of the internet to promote their products found no U.S. sites marketing tobacco. But the study found evidence that the industry is exploring the Web's potential. For example, Brown and Williamson Tobacco Corporation (B&W) recently began running Lucky Strike ads that direct visitors to an online Web magazine highlighting hot night spots in San Francisco. Although the magazine does not have cigarette ads or imagery (and until last week didn't state that it was sponsored by B&W), it collects information on site visitors, and offers free t-shirts to those who indicate whether they smoke. Further, tobacco companies have also launched advertising web sites in other countries that use some English. A B&W site in Germany advertising its Lucky Strike brand is about one-quarter English. RJ Reynolds also operates a site almost exclusively in German, the Camel Silverpage -- a site structured around a series of all night parties that link cigarettes and youth culture.

CME reports that regulatory constraints and fear of political backlash have kept tobacco companies from aggressively using the Web. But the regulatory constraints are uncertain. FDA's tobacco rule does not address the Internet. It does, however, anticipate that companies will move into new media as restrictions on billboards and other currently used media take effect. FDA's rule requires companies, beginning August 28, 1997, to advise the Agency on of plans to advertise in any media not explicitly regulated by FDA and to report to the Agency on the potential effect on kids. FDA plans to monitor the situation and take action if necessary.

CME and others argue that the Federal Cigarette Labeling and Advertising Act -- the law

banning TV and radio cigarette ads -- prohibits tobacco ads on the Internet. FCC has responsibility for determining whether the Internet falls under the Act, and DoJ has responsibility for enforcing FCC's decision. FCC has not ruled on the Act's applicability and is likely to face increasing pressure to do so.

cc: Elena Kagan

GOODBY MAY GET MORE WORK

Goodby may get more work in the future as Nike grows, said a spokesman at the marketer.

Nike wouldn't comment on spending, but the account is estimated at between \$30 million and \$50 million, making Nike now one of Goodby's biggest clients. Media buying and planning remain at Wieden.

BBDO Worldwide, New York; Fallon McElligott, Minneapolis; and TBWA Chiat/Day, Venice, Calif., also vied for the work.

Leap Partnership, Chicago, had handled Niketown.

global partnership with Wieden & Kennedy," Mr. Frost said in a statement.

"Nike's business has continued to boom, growing in depth and complexity to the point that we needed a second full-service agency simply to manage the scale of our needs," Mr. Frost explained.

There had been reports the ever-increasing burden of Nike's needs has caused strain. Wieden executives didn't return calls.

Nike's U.S. ad budget topped \$340 million in 1996; its global marketing budget last year was estimated at \$650 million. □

sociation to be its exclusive automotive sponsor.

The three-year pact is worth an estimated \$12 million to \$15 million.

In a smaller deal, GM has signed on as the exclusive auto sponsor of Sony Corp.'s Star Theatre Entertainment Complex, under construction in the Detroit suburb of Southfield. The contract could increase substantially because GM is studying whether to take the program national as Sony builds more theater complexes.

"Our deals with the WNBA and Sony extend GM's commitment to find better ways to show-

GM in the past 18 months has been aggressively pursuing non-traditional marketing, including its 1996 Olympics sponsorship, the Concept Cure breast cancer research fund-raiser and deals with Walt Disney Co.

CAUSE-RELATED MOVES

The carmaker expects to do a cause-related promotion tied to the women's basketball league before its season starts June 21.

"GM has a real track record for putting resources behind its sponsorships," said WNBA President Val Ackerman. "We're looking forward to their innovative ap-

umbrella GM brand gets involved GM corporate agency N.W. Ayer Partners, New York, would handle

DISPLAYS AT SONY VENUE

No decision has been made an agency for the Sony Star Theatre deal, said GM's Dean Rotundo, communications manager North American Operations. C expects to have product displays the complex, but additional plans are in the works.

The 20-screen theater complex set to open in May, will contain several restaurants and stores. □

Contributing: Jeff Jensen.

Justice Dept. looks to FCC before probing Web cig ads

By Ira Telnowitz

The ban on tobacco ads in electronic media may not apply to the World Wide Web, said an official at the U.S. Department of Justice.

A ban on Web tobacco ads would require that the medium be regulated by the Federal Communications Commission, said Gene Thiroff, the Justice Department's director of the Office of Consumer Litigation.

WAITING FOR FCC TO MOVE

The FCC handles some telephone-related issues. However, Mr. Thiroff said, "Until [the FCC] takes jurisdiction [of the Web], we don't feel we can be pursuing enforcement action."

According to the 1970 Cigarette Act, cigarettes can't be advertised "on any medium of electronic communication subject to [FCC] jurisdiction."

Some public interest groups question the Justice Department's interpretation. The Center for Media Education contends that because the FCC regulates phone lines, it regulates the Web.

"It is clear that the Justice Department has jurisdiction over the Internet," said Executive Director Jeff Chester, noting that his group argued this point in meetings last week with Clinton administration officials.

"The [law] doesn't mean you have to regulate content," said Henry Geller, a former FCC gener-

al counsel working with the Center for Media Education. But, he noted, three past FCC cases indicate that "If you regulate the underlying medium [lines], you regulate."

NOT MUCH ON WEB

So far, few tobacco marketers have used the Web. Both Philip Morris USA and R.J. Reynolds Tobacco Co. said last week they have no current plans for Web sites. And in a recent report on alcohol and tobacco sites on the Web, the Center for Media Education admitted it "found very few overt advertising sites for cigarettes."

The only major tobacco company to use the Web as a marketing tool in the U.S. so far has been

Brown & Williamson Tobacco Corp. for its Lucky Strike brand.

Its Circuit Breaker site (<http://www.circuitbreak.com>) offers contests, T-shirt giveaways and information about San Francisco area activities. The site asked that visitors be 21 or older but originally never identified itself as coming from a tobacco brand (AA, Feb. 24). It contained no advertising.

After criticism and indications the Federal Trade Commission was looking into the lack of identification, Brown & Williamson last week altered the site to include several mentions of the sponsor (see Letters to the Editor on Page 16).

Extending the Cigarette Act to the Web could be a legally risky move for tobacco critics.

Although Congress passed the act after tobacco marketers voluntarily pulled broadcast ads in 1970, the ban has never been challenged by tobacco companies.

Since then, the U.S. Supreme Court has enlarged protection for commercial speech. □

Liggett impact is debatable

LIGGETT from Page 3

sented in a fashion to sensationalize, but there are already millions of documents out there and the key is how the documents are used in court."

The impact of publicity could be significant, however.

Texas, several other states and the U.S. Congress are currently considering proposals for tobacco tax increases. Last week, Walgreen Co. pulled R.J. Reynolds Tobacco Co.'s Camel Menthol cigarettes out of its stores, citing slow sales and protests by groups charging the brand targeted African-Americans.

Despite statements by the attorneys general saying Liggett admitted knowledge of industry efforts to reach 14-to-18-year-olds, a spokesman for Liggett said the marketer did not itself admit to marketing to those under 18. □

from: Advertising Age, March 24, 1997



Elena Kagan
03/17/97 11:44:26 AM

Record Type: Record

To: Elizabeth Drye/OPD/EOP

cc:

Subject: Re: Tobacco

No, why don't you call him, tell him we think it makes sense to work with hhs on a gameplan, ask him for his advice and input, assure him that we'll run everything by him, etc. Make sure he knows I'll be keeping a fairly close eye on this. And say whatever else you think makes sense. thanks.



Bruce N. Reed
03/10/97 07:03:31 PM

Record Type: Record

To: Elizabeth Drye/OPD/EOP
cc: Elena Kagan/OPD/EOP
Subject: Seat belts, tobacco

We need to have the seat belt study ready for possible release on Thurs, April 3 when POTUS meets with the Big 3 auto execs. Can it hold till then? Will they support it?

Also, we need some kind of tobacco news for the Kick Butts event in NYC 4/15. Did you get anywhere with the web site?

Kick Butts Day -
- rally's in

- 9 weeks -

Mark Green - 1-pager
- brochure

Mark Green - NY - Commissioner of Consumer
Protection in NYC. -

- Thursday

- April 10th -

Seat Belts

Timing w/ISBA

Kathy Wallman

George Phillips -

Jeff Chester -
Cesario for Madia
Education
met with Kathy
Wallman &

called her. -

No constraints

March 12, 1997

MEMORANDUM FOR THE PRESIDENT

FROM: Elizabeth Drye, DPC

SUBJECT: Update on Tobacco Issues for North Carolina Trip

Implementation of FDA Rule

As you know, the first two provisions of the FDA's tobacco regulation took effect February 28, prohibiting retailers from selling cigarettes and smokeless tobacco products to persons under age 18 (already state law in all states) and requiring retailers to check photo identification for all individuals under age 27. FDA has conducted an extensive outreach program to inform retailers and communities about these requirements. To enforce the rule, FDA will first send a warning letter to any retailer who sells tobacco products to minors. Retailers who violate the rule a second time will be subject to civil money penalties.

Most other provisions of the FDA rule, including restrictions on advertising, take effect August 28, 1997. The prohibition on sponsoring sporting events applies one year later. You've asked Congress for \$34 million in FY 98 to implement the rule.

Status of Litigation

As you know, manufacturers of cigarettes and smokeless tobacco, the American Advertising Federation, the National Association of Convenience Stores and others have sued to enjoin the FDA regulations from taking effect. North Carolina filed an amicus brief joining the tobacco companies in opposition to the FDA rule. The suits have been consolidated, and on February 10, Judge William Osteen of the Federal District Court in Greensboro, North Carolina heard oral arguments. He expects to rule within 5-10 weeks from that date (i.e. between March 17 and April 21).

Debate in North Carolina State Legislature on Access Restrictions

The state legislature is considering a bill, proposed by N.C. Attorney General Mike Easley, to strengthen the state law prohibiting sales to minors. The legislation, supported by the tobacco industry and the health community, would remove the word "knowingly" from the state prohibition against knowingly selling cigarettes to people under 18. Like other industry-supported bills, it would also strengthen penalties for kids who purchase cigarettes; specifically, it makes using a fake ID a misdemeanor. Proponents assert that this law will reduce the need for FDA's age restrictions, but in debate on the bill some Senators argued that local police won't enforce the proposed law given competing priorities. The FDA rule includes a federal prohibition on sales to minors because state laws restricting sales to kids have largely failed; studies show minors succeed at buying cigarettes over-the-counter nearly 70% of the time. The new federal requirement provides a critical, added incentive for retailers to stop selling tobacco products to children..

Judy Wilkenfeld

Fax, —

301 443-5169

CME — Filed comment during rulemaking. —

— major problem is overseas site — RDR
Site in German — has Joe
Canal. —

— Christine Varney

original proposed rule — had hammer provision
— that if goals weren't met

Industry will claim it is GATT/NAFTA violation
to regulate package.

Ad Age — Canals using sexy models as opposed
to Joe Canal. —

~~Canal Regs~~ — Packaging seems to
be the most flagrant advertising. —

— Don't there are sense that this have
kids appeal.

Mirch Zeller

Policy and Prodding

Assume we win on ad. provisions in court -

- Virginia Slims CD - perfectly legal today
- brand name on non-tobacco product.
- Trademarked "It's a woman's Thing"
- we would argue - couldn't do that on non-tobacco products.

Reynolds - Collectors pack addition

- we don't address pkg - "except nicotine delivery device" - all out in self-service display.

Internet

— Didn't have any evidence when we wrote the rule that they were using to influence kids —

- alcohol / tobacco - websites designed in a way that could be appealing to kids. —

Pauline M. Abernathy

03/21/97 10:16:58 AM

Record Type: Record

To: Elizabeth Drye/OPD/EOP

cc:

Subject: FYI cigarettes

----- Forwarded by Pauline M. Abernathy/OPD/EOP on 03/21/97 10:15 AM



lauren @ wldf.org

03/21/97 10:02:00 AM

Record Type: Record

To: Pauline M. Abernathy

cc:

Subject: forgive me this petition, as I would those who send petitions t

Sorry to send something so impersonal, but I think you'll find the info. below outrageous and interesting (and it's my job to need a strong show of support to counteract all the positive p.r. that Phillip Morris is buying/getting. THANKS!

HELP!!! Did you know that Philip Morris, the leading cigarette manufacturer, has targeted women in an aggressive new marketing campaign to lure even more women and girls into the deadly addiction of smoking? **UNDER THE GUISE OF PROVIDING NEW OPPORTUNITIES FOR FEMALE MUSICIANS, THE TOBACCO COMPANY WILL BE GIVING AWAY FREE CDs OF HOT NEW WOMEN RECORDING ARTISTS ONLY WITH THE PURCHASE OF TWO PACKS OF VIRGINIA SLIMS CIGARETTES. Read on!!**

Philip Morris' new record label, "Woman Thing Music," is just another calculated attempt to addict new smokers--especially women. Thanks, in great part, to targeted marketing and promotions to women, nearly one in four American women smokes and 140,000 die each year from tobacco-related diseases. In 1994, 25 percent of women between the ages of 18 and 24 smoked. Smoking among teenage girls has increased for five consecutive years and youth smoking is at a 17-year high. It is appalling that Philip Morris could launch such a blatant campaign to accelerate this deadly trend.

To promote this new gimmick, a 10-city promotional tour began in

Clinton Presidential Records Digital Records Marker

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

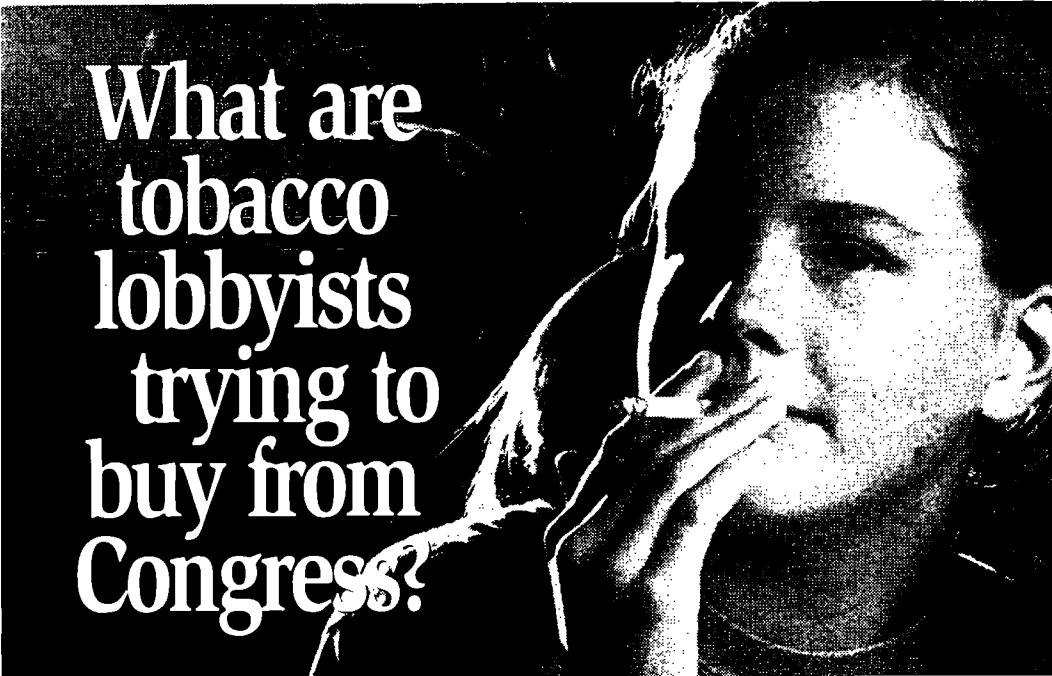
This marker identifies the place of a publication.

Publications have not been scanned in their entirety for the purpose of digitization. To see the full publication please search online or visit the Clinton Presidential Library's Research Room.

CHILDREN & TOBACCO

A Guide
To the New

Federal Regulations



What are tobacco lobbyists trying to buy from Congress?

After decades of lying about addiction and disease, tobacco companies have launched a last-ditch scheme to continue marketing to kids: flood Congress with cash.

Tobacco industry contributions to political parties and Members of Congress soared in 1995.

Why the sudden surge? President Clinton and Members of Congress from both parties are backing new limits on tobacco marketing to kids—limits that could save thousands of children from addiction, disease and death. Tobacco companies are desperately trying to buy opposition.

Americans want Congress to say no to the tobacco industry. More than 85 percent say Congress should support the administration's effort to protect children.

Write your Members of Congress today (U.S. Senate, Washington, DC 20510; U.S. House of Representatives, Washington, DC 20515). **Ask them to choose children's health over tobacco wealth.**

To learn more, call **1-800-284-KIDS.**

202 296-5469

This ad is sponsored by the American Cancer Society, American College of Preventative Medicine, the American Heart Association, National Association of County and City Health Officials, Congress of National Black Churches, the American Lung Association, General Board of Church and Society of the United Methodist Church, American Academy of Pediatrics, and The HMO Group.

CAMPAIGN for TOBACCO-FREE Kids

tear here tear here

Make a Donation to the Campaign for Tobacco-Free Kids

YES, I would like to make a donation for advertisements to protect kids from the tobacco industry. I am donating _____.

Name _____

Address _____

City _____ State _____ Zip _____

Please make your tax-deductible check out to the American Medical Association-ERF, and use the enclosed envelope or mail to: American Medical Association, Education and Research Fund, attn: Tom Houston / Campaign for Tobacco-Free Kids, 515 North State St., Chicago, IL, 60610. All donations will be used for more Campaign for Tobacco-Free Kids advertisements.

ActionKit

CAMPAIGN for TOBACCO-FREE Kids

The Campaign for Tobacco-Free Kids is comprised of the American Academy of Pediatrics, the American Medical Association, the Coalition on Smoking OR Health (the American Cancer Society, the American Heart Association, and the American Lung Association) the National PTA, the National Association of Primary School Principals, the National Association of Secondary School Principals, and nearly 100 other organizations.

Thank you for your interest in protecting American kids from the tobacco industry. This ActionKit provides the key information you need to be fully informed on tobacco and kids. The proposed Food and Drug Administration regulations to protect children from tobacco industry marketing tactics are under fierce attack, both in Congress and the courts -- you can help ensure that these important regulations will take effect. Included in this ActionKit is the key information you need to make a difference. Please take action!

Important Facts

Adults don't start smoking, kids do.

9 out of 10 regular smokers began using tobacco products before the age of 18. The average teen smoker begins at age 13 and becomes a daily smoker by age 14 1/2. About two-thirds of teen smokers say they want to quit smoking and 70% say that if they could choose again they would never have started smoking.

Tobacco products will eventually kill almost 1/3 of the kids who use them.

Every day, 3,000 kids become addicted to tobacco products. Almost 1,000 of these children will die prematurely from tobacco-related disease. More people die from tobacco-related deaths than from AIDS, alcohol, drugs, fires, homicide, motor vehicles and suicide COMBINED.

Tobacco advertisements attract kids

85% of underage smokers purchase the three most heavily advertised brands: Marlboro, Newport, or Camel. After the Joe Camel cartoon campaign was introduced, Camel's market share among underage smokers jumped from 0.5% to 32.8%.

Tobacco Industry Money to Congress

Tobacco industry contributions to political parties and Members of Congress soared in 1995, with millions of dollars in contributions to Republicans and Democrats.

The FDA proposal would:

- Establish 18 as the Federal minimum age for the sale of tobacco products and require proof of age at purchase.
- Prohibit cigarette vending machines, free samples, mail-order sales, self-service displays, sale of single cigarettes, and sale of packs of less than 20.
- Restrict outdoor tobacco advertising within 1,000 feet of schools and playgrounds.
- Restrict tobacco ads to a text-only format in magazines with a large teen readership.
- Prohibit distribution of tobacco promotional items, such as baseball caps, T-shirts, and backpacks with cigarette logos.
- Require manufacturers to sponsor a national tobacco-free education campaign.
- Prohibit tobacco brand-name sponsorship of sporting and cultural events. Sponsorship would be permitted, however, under the corporate name.

What You Can Do

1. **Write or call your members of Congress.** Write your Senators and Representative and ask them to support the FDA regulations. Several bills have already been introduced in Congress to stop the proposal to protect kids. Ask your Representative to sign the "Commitment to Our Children" -- a letter which says that he or she supports the regulations. Please see the sample letter included on the next page for ideas.
2. **Write a letter to the editor of your local paper** expressing your support for the FDA proposal. Letters to the editor are widely read, especially by members of Congress. Include important facts from this ActionKit so you can educate your community about the problem of tobacco use among children.
3. **Spread the word.** Mobilize your own network of friends and co-workers, asking them to take action with you. Make copies of this information packet to distribute. Raise the issue of tobacco and youth in groups of which you are a member such as the PTA, labor union, Rotary club, or religious group. Suggest that these organizations sponsor a letter writing campaign to support the proposal. If you're interested in planning more activities, such as counting tobacco billboards near schools or tobacco advertisements in convenience stores, please give us a call at (202) 296-5469.
4. **Make a donation for more ads.** The Campaign is using advertising to help build support for the FDA regulations (please see example on back page). You can also help us get the word out by making a donation for us to run more ads. Please use the form on the back page and mail in the enclosed envelope with your tax-deductible donation made out to the American Medical Association Education and Research Fund (note: all money will be used to produce more advertisements.)
5. **For more information,** please call (202) 296-5469. We can put you in contact with others in your area who are also working on this important issue.

Q & A

- | | |
|--|--|
| <i>Q. Why should the government be involved in this issue? Isn't it parents' role to keep their kids from smoking?</i> | <i>A.</i> By all means, parents should encourage their children not to smoke. But parents need help. Every day, the tobacco industry bombards the public with millions of dollars of advertising in the form of cartoon camels and Marlboro Cowboys. That's a lot to compete with. |
| <i>Q. Isn't it peer pressure, rather than advertising, that causes kids to smoke?</i> | <i>A.</i> Many children do smoke in response to peer pressure; they want to fit in. But "peer pressure" is affected by the industry's \$6 billion advertising and marketing campaign which makes smoking look sexy, fun, and cool. |
| <i>Q. Don't the FDA's tobacco advertising restrictions constitute an infringement on free speech?</i> | <i>A.</i> No. The Supreme Court has found that the government can restrict advertising if there is proof of a substantial interest at stake that cannot be advanced by less restrictive means. What more "substantial interest" is there than preventing children from using an addictive, deadly product? |

Sample Letter to Congress

Let your Members of Congress know that you support protecting kids from tobacco products. Here is a sample letter, but please use your own thoughts and phrases when writing. If you're writing to your lawmaker in the House of Representatives, as opposed to your Senators, please ask him or her to sign the "Commitment to Our Children" -- a statement being circulated in the House by Reps. Waxman and Hansen that supports the FDA proposal.

If you do not know the names of your Senators or Representative, call (202) 224-3121 to receive that information.

Sample letter

To a Senator:
The Honorable (full name)
U.S. Senate
Washington, DC 20510

To a Representative:
The Honorable (full name)
U.S. House of Representatives
Washington, DC 20515

Dear Rep. / Senator (last name):

I am writing to urge your strong support for the proposal by the Food and Drug Administration to protect children from tobacco products. Tobacco products are addictive, highly deadly, readily available to young people, and tobacco use is on the rise.

Supporting the commonsense proposals put forth by the FDA would be the single greatest step you could take to improve the health of America's young people. At least half of all adult smokers became addicted to nicotine before their 18th birthday and 90 percent had smoked their first cigarette by then. The public supports FDA action to protect children from tobacco. A recent poll found that 86 percent of respondents think the federal government should play a larger role in reducing tobacco use among children. Please stand up on the side of the majority of your constituents.

[Include in letter to your Representative (but not Senator): I strongly encourage you to sign the Commitment to Our Children statement being circulated in the House of Representatives, which will demonstrate your full support for the proposed regulations]

Tobacco industry contributions to political parties and lawmakers surged in 1995. I ask you to say "no" to tobacco industry money and to make children's health a priority.

Again, I urge you to support the FDA proposal on tobacco sales and marketing to kids and to do nothing to undermine or weaken this important initiative. Thank you very much.

Sincerely,

(your name)

mid-February, featuring the label's first artist, Martha Byrne, a popular soap opera star on "As the World Turns." As part of the promotion, local female singers and woman-led bands will audition in the weeks prior to Ms. Byrne's concert to appear as her opening act.

Byrne will be appearing in St. Louis on March 21; New Orleans on March 22; Atlanta on April 4; Birmingham on April 5; Chicago on April 18; Detroit on April 19; Charlotte on May 2; Baltimore on May 3; Dallas on May 10; and New York on May 17. (IF YOU LIVE IN ONE OF THESE CITIES AND WOULD BE WILLING TO PROTEST HER CONCERT, PLEASE CONTACT info@wldf.org or call the National Center for Tobacco-Free Kids at 1-800-284-KIDS.)

Unless we speak up, Philip Morris will get away with this shameless campaign. Get involved; this really is a woman thing!

PLEASE SIGN THE PETITION BELOW AND SEND IT ON TO YOUR FRIENDS. Women's and health organizations all over the country are working together against Philip Morris' campaign. If you would like to get involved, please call the number above.

You can either print out the petition and gather names by hand or you can send the petition via email. If you choose to print it out, for every 50-75 names that you collect, please send the petition to: Ellen Friebert, Women's Legal Defense Fund, 1875 Connecticut Ave., NW, Ste. 710, Washington, DC 20009.

Or, by email, you can add your name to the bottom of this list by either 1) forwarding the message after adding your name or 2) copying the information and letter and then adding your own name. Then, send it to your friends, family, co-workers, etc. EVERY 15TH SIGNER SHOULD SEND THE LIST BACK TO info@wldf.org.

*****PETITION*****

Dear Ms. Byrne:

This petition expresses our anger and disappointment at your decision to be a part of Philip Morris' latest attempt to addict new female smokers. Signing with Woman Thing Music goes far beyond simply advancing your career as a musician; it places you in the unfortunate position of being used by Philip Morris for the sole purpose of promoting Virginia Slims cigarettes to women, especially young women and girls.

Each year more than 140,000 women die from tobacco-related illnesses. Women who smoke increase their risk of cervical cancer, premature menopause, infertility, and osteoporosis, in addition to heart disease, lung cancer, and emphysema. In the late 1980's, lung cancer surpassed breast cancer as women's leading cancer killer. Of particular concern is the five-year dramatic increase in smoking among young women -- youth smoking has reached a 17-year high. Every day, roughly 1,600 teenage girls become regular smokers.

Your soon-to-be established position as a "hip" new vocalist will encourage your young fans to purchase the required two packs of Virginia Slims cigarettes to get your CD. That the CD is supposed to be off limits to minors will only make it more alluring. And with 40 cigarettes just "lying around," these girls will certainly be tempted to try a smoke or two. Despite your insistence that Philip Morris only has the best of intentions, your music is being used to sell cigarettes to addict more girls and young women to tobacco.

To protest your regrettable relationship with Philip Morris, we will not:

- Buy your CD's (or more accurately, we will not buy the two packs of Virginia Slims to get your CD for "free").

- Go to your concerts.

- Listen to your music or that of any other artist sponsored by "Woman Thing Music."

- Watch "As the World Turns" or any other program on which you appear.

We are doing our part in the war against the tobacco industry, and we will actively encourage our friends, family, and co-workers to do the same.

As indicated by the positive press that singer Leslie Nuchow received when she rejected Philip Morris' offer, it is not necessary to rely on tobacco money to promote your music. It's not too late! Reconsider your decision to be exploited by Philip Morris and the tobacco industry and denounce their abuse of your talent. Remember, every time you sing, the lives and lungs of young girls are at risk.

A copy of this letter will be sent to Philip Morris and the CBS producers of "As the World Turns."

PLEASE INCLUDE YOUR NAME, AGE, ADDRESS & PHONE NUMBER

1. Lauren Asher, 30
2601 Woodley Pl., NW, #1007
Washington, DC 20008
(202)483-2747

THE WHITE HOUSE
WASHINGTON

MEMORANDUM FOR RAHM EMANUEL, RON KLAIN, TOM KALIL

FROM: KATHLEEN WALLMAN

SUBJECT: RELEASE ON INTERNET MARKETING OF CIGARETTES AND ALCOHOL

DATE: MARCH 1, 1997

I have learned that the Center for Media Education, Jeff Chester's group, is going to release a study on Thursday, March 6 that is an expose on the ways in which cigarettes and alcohol are marketed and promoted on the Internet. Their report will document that minors may purchase cigarettes over the Internet and that no meaningful age verification is attempted. The report will also identify ways in which beer and hard liquor companies use Internet sites to promote product-related paraphernalia and to make their products attractive to minors.

The report may call for a government role in preventing the use of the Internet for these purposes. **We should not embrace that suggestion.** But should we use the occasion of the report to call upon manufacturers of products that cannot lawfully be sold to minors to take care that they do not appeal to minors in this way?



U.S. Department of Justice
Office of the Assistant Attorney General
Civil Division

George Jordan Phillips
Counselor to the Assistant Attorney General

950 Pennsylvania Ave., N.W., Room 3143
Washington, D.C. 20530
(202) 514-5713 Fax (202) 514-8071

FACSIMILE TRANSMITTAL COVER SHEET

TO: Elizabeth Dry
Office of Domestic Policy
The White House

DATE: 3/12/97

FACSIMILE NO: (202) 456-5581

TELEPHONE NO: (202) 456-5573

NUMBER OF PAGES: 1
(EXCLUDING COVER SHEET)

COMMENTS: Attached is a short overview of the current situation concerning the applicability of the statute which forbids the advertising of cigarettes and little cigars on any medium subject to FCC jurisdiction. Call if you need more.
Thanks, George

CONFIDENTIALITY NOTICE

This facsimile transmission (and/or the documents accompanying it) may contain confidential information belonging to the sender protected by the attorney-client or other privileges. The information in this transmission is intended only for the use of the individual or entity named above. If you are not the intended recipient, any copying, disclosure, distribution or the taking of any action in reliance on the contents of this transmission is strictly prohibited. If you received this transmission in error, please notify us by telephone immediately to arrange for return of the documents.

March 12, 1997

On March 4, 1997, we received an inquiry from [REDACTED] at the Federal Trade Commission (FTC), requesting our views on the status of cigarette advertising on the Internet. The FTC regulates some tobacco advertising under the Federal Cigarette Labeling and Advertising Act (Act), 15 U.S.C. § 1333. The Center for Media Education, a public interest study group, had issued a report complaining about tobacco advertising, particularly by Brown and Williamson, on the Internet. We told [REDACTED] that we were awaiting the Federal Communications Commission's (FCC) decision on its jurisdiction over the Internet before taking enforcement action.

The Justice Department has jurisdiction under the Act to regulate advertising of tobacco products "on any medium of electronic communication subject to the jurisdiction of the Federal Communications Commission." 15 U.S.C. § 1335 No formal complaint on this subject has been presented to us; but Advertising Age has asked us whether we plan to exercise jurisdiction over the tobacco advertising on the Internet. Our view is that without the FCC's assertion of jurisdiction over the Internet, our options are very limited.

On March 12, I talked with [REDACTED] of the FCC, concerning whether the FCC would be exercising jurisdiction over the Internet. [REDACTED] said that there are two proceedings pending at the FCC which deal with the Internet, one on whether local phone companies can charge access charges to Internet users and one by long distance telephone carriers challenging the use of the Internet to make long distance calls. [REDACTED] expects a decision on the former case by June. [REDACTED] said that the FCC will not do anything on advertising on the Internet until and unless the decision is to regulate the Internet. [REDACTED] spoke with [REDACTED] at FCC. [REDACTED] would not commit [REDACTED] as to the reasons, but stated emphatically that the FCC is staying out of all of the Internet issues that have been raised, i.e., access charges, and considers the Internet a "free flowing" medium. [REDACTED] also stated that the decision not to act was made by senior staffers as well as FCC Commissioners.

NOTE TO RAHM EMANUEL AND DONALD BAER

Based on our previous conversations, I wanted to send you a few ideas for events/radio addresses in February and March. All of these announcements -- on Head Start, Meals on Wheels, and particularly on tobacco -- build on the President's messages of opportunity, responsibility and community and stress the importance of public-private partnerships. Specifically:

o **Head Start/Child Care - Mid/Late February**

As you know, last year Congress approved President Clinton's full request to increase the Head Start budget by over \$411 million for FY 97. These new funds will be used in part to develop a unique new partnership between Head Start programs and child care providers to provide high quality, full day, full year Head Start/child care services. In mid-February HHS plans to notify Head Start programs to compete for these new funds, which will institute a new strategy on which federal funds are used to "leverage" private sector child care funds.

We suggest that the President announce this new creative partnership between Head Start and child care programs during a weekly radio address later this month. The announcement could be made in the context of renewing his commitment to supporting working families and helping people move from welfare to work.

o **Tobacco - February 28**

On February 28 -- the six month anniversary of the President's announcement of the final FDA tobacco regulation -- the first provisions of the regulation go in to effect.

As of this date, retailers will be prohibited from selling cigarettes and smokeless tobacco to kids under 18 require and will be required to verify by photo ID the age of purchasers 26 and under. We expect intense media attention to accompany this first step in the President's comprehensive children's tobacco initiative.

We propose that the President uses this as an opportunity to reinforce his message on children and tobacco, in one of several ways such as: an off-campus event, for example at a retail store that will be effected by the regulation; or a White House event with executives, retailers and kids.

o **Meals on Wheels - Mid/Late March**

We also suggest a weekly radio address around the 25th anniversary of the Older Americans Act Elderly Nutrition Programs, known as Meals on Wheels (March 22). The news would be a new joint HHS/General Mills Inc. pilot project in 20 regions, the Morning Meals on Wheels breakfast program, that provides a second meal to at-risk, homebound senior citizens. In addition, the address could be used to restate the Administration's commitment to seniors, to nutrition programs, and to working with the private sector.

This will also be an opportunity to restate the President's views on the right way to balance the budget, since this became a big issue in the budget fight last year.

Please let me know if any of these ideas sound good to you. I would be happy to send you additional information on any of these initiatives, or to set up a meeting at your convenience.

Thank you.

Melissa