Tobacco – Phillip Morris

Cynthia A. Rice 03/02/2000 08:41:26 PM

TOBACCO -
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Subject: Parrish's comments on tobacco

I listened to the panel (the web link finally got fixed). Kessler really did quiz Parrish; Parrish was for the most part masterful, but he did say a number of things that show he's for much more limited regulation than the FDA rule. Here's how I'd summarize the highlights. Below are my notes.

Summary

At a panel on Thursday, Philip Morris Senior VP Steve Parrish provided some additional details about the company's goals. Parrish said that the company wants to use this time before the Supreme Court rules to hold a dialogue with Congress, the public health community and others about "serious" regulation on issues of safer products and keeping products out of the hands of kids. He said tobacco is "a legal product, which is addictive and causes harm in some of the people who use it," and that federal regulation is needed. While he believes nicotine is an addictive drug, he does not believe nicotine is a drug that should be regulated under the Food, Drug and Cosmetic Act as a medical device or pharmaceutical product, and expressed concern that regulating under the Act could lead FDA to ban tobacco. He praised the state of Florida and Massachusetts for putting in place comprehensive efforts to reduce youth smoking, including aggressive counter-ads, but says he thinks the advertising restrictions in the FDA rule present First Amendment problems, and that companies need to be able to communicate with their adult audience. He said Philip Morris is not seeking any quid pro quo -- such as liability limits -- in exchange for regulation. He indicated that they would not produce a detailed proposal, but would hope one would develop out of the dialogue with Congress and others.

Notes

He praised FL for getting the results they have in reducing youth smoking, and praised the comprehensive effort they and MA have made to get there.

He said this is an "honestly held good faith belief" on his part that there needs to be "serious" regulation at the federal level.

He called tobacco a legal product that is addictive and causes harm in some who use it.

He said there needs to be a serious discussion about the right way to regulate and Congress needs to decide.

He said he believes nicotine is a drug, but that that doesn't mean he thinks it's a drug as defined under the Food, Drug, and Cosmetic Act and that it should be regulated as a medical device or pharmaceutical. If regulated under the FDCA "safety and efficacy" standard, FDA could be required to ban the product.

He said regulation should focus on issues of safer products, less addictive products, and keeping products out of the hands of kids.

He said if reducing youth smoking means the adult market shrinks, they are prepared for that. He thinks if they are not part of the solution of reducing youth smoking, the future of their company is not good.

When asked whether there was anything wrong with FDA's provisions to restrict access and reduce appeal to children, he said there's nothing wrong with those approaches but he has "questions" about the appropriate role of the FDA. He acknowledged some have been critical of him for being vague, but in '97 they negotiated a specific deal and dumped it in the lap of Congress. This time he wants to sit down with Congress and others from the beginning.

He noted that there's a lot that can be done under current law: 1) the AGs have the authority under the '98 agreement to go to court to get an injunction to stop marketing to children. 2) The '98 settlement funds can be used for cessation, youth smoking prevention efforts like those in FL and MA, and research on why people smoke and how to get people to stop.

When asked whether they put pressure on the American Legacy Fdn (the foundation established by the 1998 settlement) to withdrawal ads, he said he personally think it's a mistake to demonize the industry, and the agreement the states signed says the foundation funds can't be used to villify the industry, and a deal is a deal. He noted that the vast majority of the funds the states get from the agreement can be used for any kinds of ads they want. Asked later by the head of the American Legacy Fdn whether PM would support removing the villification clause from the settlement, he said no.

Asked by Kessler whether he had a quid pro quo such as liability limits, Parrish said no -- he just wants to talk about regulation.

Asked by Kessler if he was for access restrictions he said yes but in a very careful way (said -- we've agreed to some in the '98 settlement).

Asked about whether he'd be willing to talk about taking out harmful ingredients, he said yes if there were a way to do that that without creating black markets.

Parrish said his goal is to use this time before the Supreme Court rules to talk to Congress, the public health community, and others to have a dialogue about regulation. Congress is the key.

He expressed First Amendment concerns about the advertising limits in the FDA rule, saying companies need to be able to communicate with their adult audience.

He claimed PM has "actively lobbied" states to use the settlement funds to prevent youth smoking, and indicated he'd be willing to travel to state legislatures with Kessler to speak out and said he'd sign a letter to LA Mayor about using the funds to prevent youth smoking.

He said he wouldn't rule out increasing the age above age 18 but would want to talk to health experts about unintended consequences about the effects on addicted 18 year olds.

How to find out more

For the truly curious, the link is at www.casacolumbia.org. The best parts are at the following times:

14:30 - 21:55
23:50 - 32:00
43:00 - 46:10
51:20 - 54:30

By the way the panel starts by showing the ads from the American Legacy Fdn created by the state settlement, including the two that the foundation dropped under pressure from the industry.