

d r a f t

Don
for
8/17/92

COMMENTS

SAMUEL D. CHILCOTE, JR.

Hint
Pages 2 + 3:
You need anything for this?
We need to discuss
some PAF stuff on this.
JL
WW 10/19

JOINT MEETING OF THE MANAGEMENT AND FINANCE COMMITTEES

THE TOBACCO INSTITUTE

WASHINGTON, D.C.

WEDNESDAY, OCTOBER 21, 1992

TI24430019

GOOD MORNING.

THIS WILL BE THE LAST MEETING OF THIS COMMITTEE BEFORE THE NOVEMBER 3 ELECTION. SO FIRST I WANT KURT MALMGREN AND BOB MCADAM TO BRING YOU UP TO DATE ON OUR EFFORTS IN MASSACHUSETTS, WHERE THE POLLING NUMBERS APPEAR TO BE MOVING IN THE RIGHT DIRECTION.

THERE ALSO APPEARS TO BE GOOD NEWS IN ARKANSAS.

KURT

(MSSRS. MALMGREN AND MCADAM)

IF THERE ARE NO OTHER QUESTIONS, I WOULD LIKE TO MOVE ON TO THE REVIEW OF THE INSTITUTE'S 1993 BUDGET REQUEST.

EACH OF YOU HAS RECEIVED COPIES OF OUR PROPOSED BUDGET. OUR REQUEST FOR STAFFING AND PROGRAM FUNDS REPRESENTS A 2 PERCENT DECREASE FROM OUR 1992 AUTHORIZED BUDGET.

HOWEVER, THE INCREASE IN FUNDING FOR PRODUCT LIABILITY LITIGATION MATTERS BRINGS THE OVERALL BUDGET TO ONE PERCENT BELOW 1992 AUTHORIZED LEVELS.

(PAUSE)

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A YEAR AGO, AT THE REQUEST OF YOUR COMPANIES, WE REDUCED OUR
AUTHORIZED STAFF POSITIONS BY 27 PERCENT ... FROM 107 TO 78.

WE ALSO REDUCED OUR AUTHORIZED BUDGET BY 10.4 PERCENT BELOW 1991
LEVELS. AT THE SAME TIME, I AGREED THAT THE 1993 BUDGET WOULD BE
FROZEN A THE 1992 LEVEL. THE NET EFFECT OF THIS FREEZE AT THE
1992 LEVEL WOULD BE A REDUCTION IN FUNDING OF MORE THAN 17
PERCENT FROM 1991, AFTER TWO YEARS OF INCREASES IN THE CONSUMER
PRICE INDEX ARE FACTORED IN.

IN JULY OF THIS YEAR, WE VOLUNTEERED \$1.262 MILLION IN FURTHER
REDUCTIONS IN OUR 1992 OPERATING BUDGET, LARGELY BECAUSE OF NON-
RECURRING SAVINGS SUCH AS LOWER THAN ANTICIPATED ACTIVITY AT OSHA
AND ALMOST NO ACTIVITY AT THE FEDERAL LEVEL ON TAX OR ADVERTISING
MATTERS. WE DO NOT EXPECT THE SAME TO HAPPEN IN 1993.

(PAUSE)

AT THE REQUEST OF YOUR COMPANIES, WE HAVE MADE FURTHER REDUCTIONS
IN OUR 1993 BUDGET REQUEST FROM THE 1992 AUTHORIZED LEVEL. I
WOULD LIKE EACH DIVISION DIRECTOR TO SUMMARIZE THEIR BUDGET.

WE WILL BEGIN WITH FEDERAL RELATIONS. BOB

(MR. LEWIS)

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FOR STATE ACTIVITIES ... KURT ...

(MR. MALMGREN)

PUBLIC AFFAIRS ... SUSAN

(MS. STUNTZ)

AND FOR ADMINISTRATION, BILL

(MR. ADAMS)

[FURTHER DISCUSSION, COMMENT, INSTRUCTIONS]

I HAVE JUST A COUPLE OF OTHER BRIEF ITEMS THAT I WOULD LIKE TO
BRING YOU UP TO DATE ON. FIRST, THE OPEN SEATS PROGRAM TO
EDUCATE CONGRESSIONAL CANDIDATES ON OUR ISSUES. SUSAN

(MS. STUNTZ)

NEXT, BOB, COULD YOU GIVE US A SHORT WRAP-UP OF THE 102ND
CONGRESS?

(MR. LEWIS)

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TI24430022

KURT, DO YOU HAVE ANYTHING TO ADD?

(MR. MALMGREN)

I HAVE TWO OTHER ITEMS TO RAISE WITH YOU. FIRST, I FORWARDED TO YOU EARLIER THIS WEEK TWO DOCUMENTS THAT FURTHER DEMONSTRATED THE INCREASING COORDINATION BY OUR OPPONENTS. AND WHILE THERE IS NO EVIDENCE RIGHT NOW THAT ASSIST FUNDS ARE INVOLVED, THESE ARE CERTAINLY THE KINDS OF ACTIVITY THAT WILL BE ON THE RISE AS THE 17 STATE DEPARTMENTS OF HEALTH BEGIN TO GEAR UP THEIR ASSIST PROGRAMS.

KURT SUSAN DO YOU HAVE ANY THOUGHTS?

(MR. MALMGREN/MS. STUNTZ)

ARE THERE ANY OTHER COMMENTS?

FINALLY, BILL HAS THE VARIANCE REPORTS THROUGH SEPTEMBER 30 FOR YOUR REVIEW. WE WILL BE HAPPY TO ANSWER ANY QUESTIONS THAT YOU MIGHT HAVE.

IF THERE IS NOTHING ELSE, WE WILL SEE YOU ON NOVEMBER 24.

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