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JOHN D. KELLY
Senior Vice President
State Activities

April 6, 1983

*Phil (Witt)
Vice (Sta.)
V/C*

Please see memo

Samuel B. Witt, III
Vice President, General Counsel
and Secretary
R. J. Reynolds Tobacco Company
401 North Main Street
Winston-Salem, North Carolina 27102

Dear Sam:

Sam Chilcote has asked me to provide you with recommendations for improvement of sampling practices of the various companies for consideration by the Committee of Counsel.

Recently a Task Force in California composed of Stuart Spencer, Vigo (Chip) Nielsen and Robert Nelson reviewed and evaluated many of the problems confronting the industry in California and made recommendations to us to respond to these problems.

*cc: Phil
V/C*

Sampling was among the issues they addressed and their recommendations are as follows:

- Do Not Challenge Existing Ordinances. By challenging existing sampling ordinances (e.g., Minneapolis/St. Paul and Massachusetts) TI would only create more public discussion of the sampling issue and give the issue a more salient focus for proponent groups. Challenging existing ordinances would also:
 - If unsuccessful, send proponent groups a clear message that these ordinances have not withstood scrutiny by the courts and similar ordinances are also likely to be successfully upheld.
 - Let proponents know why TI has not challenged these laws in the past and give them a case for future efforts.
- Aggressive Enforcement of Sampling Codes. Existing enforcement codes should be rigidly applied. This would help TI set its house in order and not further contribute to the problem. Aggressive enforcement should also result in:

- Promptly penalizing or terminating any samplers who fail to apply the code.
- Specific, voluminous documentation of the termination or penalty invoked on samplers who fail to apply the code.

TI must provide specific proof that the code is being applied and is in essence self-enforcing, this information could prove vital when local/state agencies seek to pass sampling ordinances.

- Stop Sampling, Particularly in Sensitive or High Visibility Areas. Specific guidelines need to go out to companies, which engage in marketing through sampling. In particular, these guidelines should:
 - Prohibit sampling anywhere near state legislative halls or the city halls of major cities.
 - Prohibit aggressive sampling when the legislature is in session or during the period when news bills are likely to be introduced.

If these programs are rigidly followed, TI will help to build a real case against sampling ordinances, a case that is both credible and believable in the minds of public officials. These programs would also help to keep this issue away from public debate, which can only cause more activity on the part of sampling ban proponents."

We in State Activities subscribe to these recommendations since legislative proposals to prohibit sampling most frequently arise out of situations where the code is not being observed by the sampling contractor, where effective supervision of the activity does not occur or where good judgment is not used in deciding when, where and to whom to sample.

It is increasingly difficult to argue for the continuance of unrestricted right to sample product when legislators have personally experienced violations of our own voluntary code.

Sincerely,



John D. Kelly

JDK/cs

cc: Samuel D. Chilcote, Jr.