

Philip Morris U.S.A. Supports Litter Initiative

Philip Morris U.S.A. has decades of experience in working with other organizations to address environmental issue and reduce consumer product waste. The Company was an original corporate sponsor of Keep America Beautiful (KAB), for example, and has been supporting the group for more than 40 years.

Now, the PM USA/KAB team is working together on an urban litter initiative in six cities across the country. We are providing technical and financial assistance to help Keep America Beautiful implement an initiative to place ash/trash receptacles in high-traffic areas and measure the results.

The PM USA/KAB program incorporates fresh approaches to dealing with cigarette litter. In too many places—big cities in particular—adults who choose to smoke do not have convenient places to dispose of their cigarette refuse. This program has been crafted in response to consumer need.

The program rolls out in selected major cities in the fall. The tests are being conducted in areas with high concentrations of pedestrians near shops, restaurants and office buildings.

A Roper Omnibus telephone survey conducted in 1997 found that non-smokers and smokers alike agree that there aren't enough ashtrays in many public places, including on sidewalks, in parks and other recreation areas, and at beaches.

The concept behind the initiative with Keep America Beautiful is to help make it easier and more convenient for adults who choose to smoke, in part by helping to educate municipalities and facilities managers about the need to provide proper ash/trash receptacles where they're needed.

Subsequent research will determine which methods have the biggest impact on urban litter in the selected cities. Based on successful test results, these initiatives may be extended to additional urban centers.

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Helping Airport Accommodation Take Off

As airports emphasize comfort and convenience for travelers – and bring in more revenue from shops and food and beverage concessions – it becomes more important to create comfortable and convenient environments for both non-smoking and smoking travelers. This way, travelers who choose to smoke will be more likely to order food and beverages and make purchases in the airport's stores while the comfort of non-smokers will also be ensured.

Increasingly, airports are finding innovative ways to meet the preferences of all travelers, such as using enhanced ventilation in hospitality establishments, creating smoking sections and lounges inside airports, and, when outdoor smoking is the appropriate policy, creating comfortable and attractive shelters and providing ash receptacles.

As part of Philip Morris U.S.A.'s commitment to accommodation, we are working with selected airports across the country to help define the accommodation options available, develop solutions and in some cases, fund technological improvements, such as the installation of state of the art ventilation equipment.

Below you will find a list of airports throughout the U.S. describing the steps they have taken to accommodate the preferences of non-smokers and smokers.

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MAJOR U.S. AIRPORT SMOKING POLICIES as of June 1, 1999

AIRPORT	SMOKING POLICY
Atlanta Hartsfield International	Permitted in eleven smoking lounges, located in Concourse A (A-14, A-23), Concourse B (B-7, B-24), Concourse C (C-17, C-28), Concourse T (T-3, T-13) and Concourse E (E-8, E-17, E-28), the international facility. Smoking will also be permitted at the Budweiser Brewhouse (Concourse A) scheduled for completion in Fall 1999
Boston	Permitted only in designated smoking areas outside the terminal; and in the bar areas of AA and US Airways clubs.
Charlotte	Permitted in designated restaurants
Chicago O'Hare	Permitted only in designated smoking areas outside the terminal; a designated smoking area in Terminal 5 (International Terminal) in the Intransit Lounge; United Airlines Red Carpet Lounge (Concourse C); AA Admirals Club (Terminal 3)
Cincinnati	Permitted in designated bars, restaurants and in smoking lounges
Dallas/Ft. Worth	Permitted only in designated smoking areas outside the terminal
Denver	Permitted in Aviator's Clubs located in Jeppesen Terminal and in Concourse B
Detroit	Prohibited
Honolulu	Permitted in designated bars and restaurants
Houston	Prohibited
Las Vegas	Permitted in designated bars/restaurants and in smoking lounges located throughout the Airport. Two in the Rotunda, two in the C gate area (C-16 and C-7), two in the D gate area (D-2 and D-31), one in the B gate area (beyond B-15), one in the A gate area (A-7) and one on the first level of the ticket counter area in Terminal 2
Los Angeles	Permitted only in International Terminal Intransit Lounge

Source: GKMKG Consulting

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AIRPORT	SMOKING POLICY
Miami	Permitted only in International Terminal Intransit Lounge and 8 th floor lounge of airport hotel
Minneapolis	Permitted only in designated smoking areas outside the terminal
New York/JFK	
Terminal 1 (Air France, Korea, Lufthansa, Japan Airlines)	Permitted in all bars and lounges as well as in the lounges of each airline club; and in a smoking lounge in the South Concourse
Terminals 2 and 3 (Delta)	Permitted only in the International First Class/Business Class Lounge
Terminal 4 (JFKIAT)	When completed (scheduled completion May 2001), smoking will be permitted in designated bars/restaurants
Terminal 5 (TWA)	Prohibited
Terminal 6 (TWA)	Permitted only in the bar located airside
Terminal 7 (BA)	Permitted in bars/lounges
Terminal 8 (AA International)	Permitted only in a designated area of Admiral's Club
Terminal 9 (AA-Domestic)	Permitted only in a designated area of Admiral's Club
New York/La Guardia	Permitted in bars/cocktail lounges and designated sections of airline clubs
Newark	Permitted in designated bars in Concourses A and B, prohibited in Concourse C; also permitted in designated areas of US Airways Club and American Airlines Admiral's Club
Orlando	Permitted in designated restaurants, bars and lounges
Philadelphia	Permitted in designated restaurants and bars
Phoenix	Permitted in designated bars/restaurants and will be permitted in a yet to be completed smoking lounge in Terminal 2
Pittsburgh	Permitted in designated restaurants and bars

AIRPORT	SMOKING POLICY
Salt Lake City	Permitted in smoking lounges located by gates C-8, D-1, D-8 and in the lobby of Concourse E. The area at the top of the escalators in Terminal 1 is also a designated smoking area
San Francisco	Permitted only in smoking lounges located on the upper level of the North Terminal near Gates A-60 and 80, the South Terminal near Gate A-21 and across from the Delta Ticket Counter, and on the lower level near baggage claim in the International Terminal
Seattle	Permitted in a smoking lounge in the South Satellite for International passengers and in the American Airlines Admiral's Club
St. Louis	Permitted in eight smoking lounges located in: Concourse A (A-9), Concourse B (B-6), Concourse C (C-10), C-28), Concourse D (D-16), Concourse E (E-12, E-20, beyond E-33)
Tampa	Permitted in smoking lounges on the airside in all concourses
Washington Dulles	Permitted in three smoking lounges, located in Terminals B, C, and D
Washington National	Permitted in Foggy Bottom Brewpub Terminal B

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Consumer Services

In this section you'll find news you can use on...

- ♦ The country's top 25 Airports, their smoking policies and the location of their accommodating facilities.
- ♦ Our new Urban Litter initiative, in which we provide our adult consumers with more options to dispose of their cigarettes properly, as well as address the needs of the community by planning for the installation and maintenance of dual-function ash/trash receptacles.
- ♦ To order the *1999 Guide of Distinguished Restaurants of North America*, which lists 635 restaurants and includes diner-friendly information, such as whether the establishment accommodates smokers, visit their web site at <http://www.dirona.com> The site also includes an online version of their guide.

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Options, Philip Morris USA
Finding Balance & Comfort For Both Non-Smokers And Smokers

"Options" is a Philip Morris USA initiative to help find effective ways for businesses, public policy makers and the general public to provide balance and comfort for both non-smokers and smokers in public places.

Our Commitment

Our commitment is to stimulate discussion and facilitate a marketplace that employs practical approaches to accommodating non-smoker and smoker preferences. We will ...

Communicate what is possible

Advocate accommodation and reasonable options -- both technical and non-technical -- for non-smoker and smoker comfort, based on the public's accommodation expectations and the advancement of ventilation technologies

Facilitate discussion

Bring together industries, individuals and others with a mutual interest in technical and non-technical accommodation options to discuss and develop tailored approaches for specific types of places

Encourage experts and expertise

Seek and advance state-of-the-art thinking on ways to effectively accommodate business needs and the preferences of both non-smokers and smokers

Educate, based on experience

Provide information to help broaden understanding and acceptance of what can be achieved, how to make it happen, the benefits that can accrue to businesses and the possible positive impact on customer and employee satisfaction

Stimulate innovation

Support the advancement of knowledge and reasonable options that will ultimately help create accommodating environments for both non-smokers and smokers alike

Our Initiatives

We are supporting educational and communication programs and other initiatives to help the marketplace identify reasonable, balanced options. We will continue to seek and define new opportunities to support our mission of encouraging comfort for both non-smokers and smokers.

The Accommodation Program

A nationwide program designed to meet the specific needs of business owners in the hospitality industry by offering educational materials and seminars, communication programs, non-smoking and smoking signage and access to information on the latest design and application of ventilation technology.

- ◆ For detailed information, visit
- ◆ **Accommodation Program Fact Sheet** in our *Options Library*.
- ◆ **Accommodation Program Catalog** in our *Options Library*.

Telephone Ventilation Consulting Service

Expert engineers who are 'on-call' to provide information and insight into how business owners can improve their existing environment through the use of the appropriate

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- ◆ For detailed information, especially for business owners and managers, visit our section on **Ventilation**. Here you will find **Accommodation & Ventilation**; **Ventilation Questions and Answers** and **Access to Ventilation Consulting**.

Educational Materials

The creation and distribution of educational materials to help businesses understand and explore how their peers are effectively managing the accommodation of choice for both non-smokers and smokers. Case histories help explain how businesses and facilities have implemented successful accommodation policies and applied ventilation technologies. News articles, research findings and economic analysis help business owners stay current on options for public places.

- ◆ For detailed information, visit our **Options Library**, which contains an index of all our resources, all of which are either available on this site or can be mailed to you.

Information, Research and Data

Selective grants to support business and consumer research on public place accommodation preferences and economic and social impact studies. New and relevant data can allow businesses and public policy makers to take a balanced approach to decision making

- ◆ For detailed information, visit our **Economic Impact Compendium**, which contains numerous studies and polls.

Sponsorships

Sponsorship of programs to further education and communication of options in a wide range of industries. Other sponsorship initiatives include forums to facilitate discussion between the hospitality and other public place industries and the heating, ventilation and air conditioning community to identify reasonable ways to provide accommodation to both non-smokers and smokers alike.

- ◆ For detailed information, visit
- ◆ **Seminar Schedules** in our *Options Library*.
- ◆ **Atmosphere Plus**, a licensed beverage industry initiative sponsored in part by Philip Morris U.S.A.

Consulting On Accommodation Policies

Selective one-on-one consulting with business owners and facility managers to identify the possible business and customer benefits of accommodating both non-smokers and smokers alike; to explore the different accommodation policies that can be adopted; and to discuss possible ventilation enhancements based on existing industry-specific practices.

- ◆ For detailed information, visit our section on **Ventilation**. Here you will find **Accommodation & Ventilation**; **Ventilation Questions and Answers**; **Access to Ventilation Consulting**. Also visit our **Options Library** for case studies on **Richmond International Airport** and **Braves Stadium** as well as our **Accommodation Program Fact Sheet**.

Showcasing Ventilation Technology Applications

Selective funding of ventilation technology applications to showcase what is possible in terms of indoor air quality improvements and to build greater awareness for the state-of-the-art technologies that are available in the marketplace.

- ◆ For detailed information, visit our section on **Ventilation**. Here you will find Here you

Ventilation Consulting; and our **Options Library** for a case study on The Hitching Post.

For more information on our initiative or to access our resources, please call us at 1-800-929-1414. Working together, we can find balance and comfort for both non-smokers and smokers.

Philip Morris USA's Options initiative does not purport to address the health effects attributed to smoking.

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Public Place Smoking

We believe that everyone's choices should be respected when it comes to the issue of smoking in public places.

Many non-smokers find environmental tobacco smoke, often dubbed second-hand smoke, annoying. Others are concerned about health risks. Therefore, we believe non-smokers should be able to expect an environment in which smoke and odor do not bother them.

At the same time, adults who choose to smoke should be able to do so in a pleasant and comfortable environment. And business owners should be able to choose the smoking policy that best suits the needs of their business and the preferences of their customers and employees.

Public policies that mandate all out smoking bans neither respect these choices nor achieve balance for non-smokers, smokers and business owners. Smoking bans are not a reasonable solution and they can result in negative social and economic impact for businesses, employees and customers. We support reasonable regulatory measures that take everyone's preferences into account. However, we believe business owners are in the best position to determine the appropriate policy for their business and should be provided flexibility in deciding what works for them and their customers and employees.

We believe that there are many options for a variety of circumstances that can provide comfort for both non-smokers and smokers in a balanced way: Ventilation improvements. Separate areas. Separate rooms. And sometimes no separation at all.

By working together, we believe we can make a difference in finding balance and comfort for both non-smokers and smokers. That's why we support a national initiative called "Options." Its mission is to help business owners, public policy makers and the general public find effective ways to accommodate everyone's preferences – non-smokers and smokers alike. For more information, click [Options](#).

The Benefits of Accommodating Both Non-smokers and Smokers

More than three quarters of Americans believe "smoking or non-smoking" is a choice customers should be offered when entering a restaurant or hotel, according to a national survey commissioned by the Distinguished Restaurants of North America (DRNA) and conducted by Roper Starch Worldwide (June, 1998)

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The survey polled more than a thousand adults from across the country and found that 77 percent of the American public agrees that "we should find a way to accommodate both smokers and non-smokers in hospitality establishments."

Similarly, a poll of bar patrons sponsored by the National Licensed Beverage Association found that 64 percent of respondents believe non-smoking and smoking choices should be accommodated in bars. Both polls found nearly 80 percent of the public agrees that ventilation can resolve public place smoking issues.

The DRNA survey also found that:

- ◆ 89 percent agree that those who choose to smoke and those who do not should respect each other's choices;
- ◆ 75 percent believe that smoking issues can be resolved through common courtesy;
- ◆ 54 percent believe smoking should be allowed in designated areas of restaurants;
- ◆ 61 percent said that smoking should be allowed in designated hotel rooms.

"Enjoying a cigarette is one of those choices that contributes to some our guest's fine dining experiences. Not being bothered by smoke is just as important to others' ideal dining experience," said Christianne Ricchi, owner of IRicchi in Washington, D.C. and past chairman of DRNA, a restaurant trade organization devoted to the highest standards of excellence in customer service. "The solution – which the industry has known all along and our customers have endorsed – is separate, well-ventilated areas to accommodate both choices."

Business Owners' Right to Choose

When it comes to who should be primarily responsible for setting smoking policies in hospitality establishments, the DRNA survey found that 55 percent of Americans believe that business owners should decide. A further 22 percent believe customers should have this responsibility, while only 19 percent would put the decision in the hands of the government.

"In a free enterprise system, it should be up to the business owners to make the decisions about how they want to run their business," said Rex Haney, president of the Bowling Proprietors' Association of America. "The best choice for them will be the one that generates more business."

Many hospitality associations have come out against government-mandated smoking bans. The associations reflect the viewpoints of their memberships, which have found

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that bans can cause a significant and negative impact on a business's bottom line. Two months after a smoking ban went into effect in California, over 59 percent of bar owners reported a decrease in sales; stand-alone bars were hit with an average decrease of over 81 percent.²

To demonstrate that there are viable options to smoking bans, hospitality associations are exploring reasonable ways to accommodate all customers. The industry has teamed up with indoor air quality experts — including heating, ventilation, and air-conditioning (HVAC) manufacturers and contractors — to look into cost-effective, efficient ways to create pleasant and welcoming environments.

"Smoking bans and laws are not elastic," said Howard Nusbaum of the Ohio Hotel & Motel Association. "They are very arbitrary, and that's why the industry has to work with HVAC consultants and with the public at large to create options that allow everyone to be accommodated."

Working to provide accommodating environments and to fight smoking bans has become a priority for many hospitality businesses, and for good reason: Every restaurant, hotel, bar, and bowling center wants to attract and keep as many customers as possible. "It does not make sense to discriminate against any group," said Michael Sternberg, owner of Sam & Harry's restaurant, located in Tysons Corner, Virginia. "Smokers are an important part of my business. If relaxing and having a cigarette or a cigar after dinner makes them comfortable, I want to accommodate them. Accommodating smokers and non-smokers just makes good business sense."

Sternberg should know. His restaurant is a model of well-designed, efficient ventilation, with carefully planned and designated smoking areas. As a result, he has a loyal clientele and a restaurant that fulfills his personal philosophy: customer satisfaction above all else.

Government Regulation and the Impact of Bans

Studies confirm that restrictive smoking bans result in a negative economic and social impact.

Some owners and managers predict as much as a 20 percent downturn in business following a mandated smoking ban, such as the one mandated by State of California. Six separate state polls revealed that business owners and managers said they would expect to have layoffs if bans were enacted.

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According to recent surveys of managers and patrons in the city of Boston, the imposition of severe smoking restrictions has already reduced patronage there. The study, commissioned by the International Society of Restaurant Association Executives, found that the restaurant industry in Boston could potentially lose an estimated \$40 million as more patrons frequent ban-free towns outside of Boston. In addition, it is estimated that tips are down 15 percent and more than 650 people could lose their jobs.

Last year the American Beverage Institute conducted a telephone survey of 300 owners and managers of California establishments that serve beverage alcohol, some of which were affected by the January 1, 1998 statewide smoking ban. The results indicate that the majority of establishments, 59.3 percent, experienced a decrease in business since the ban went into effect; while 30.3% experienced no effect; 6.7% experienced an increase in business; and 3.7% refused to answer or did not know.

The bottom line is that reasonable options that accommodate everyone's preferences and provide comfort and balance for customers and employees are better than outright smoking bans. The final choice should rest with the marketplace, with business owners having the flexibility to accommodate everyone.

* * *

To find out more about the studies cited above, or to read a number of other studies that demonstrate hospitality industry and consumer support for accommodation and the negative impact of bans on business, please visit our [Economic Impact Compendium](#) in our [Options Library](#).

For our position regarding smoking ban legislation, please visit our [Tobacco Issues](#) section.

² Poll conducted in April 1998 by the American Beverage Institute.

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How to
Reach us

Contact Us

News Media

If you are a member of the news media who needs information about Philip Morris U.S.A., please contact us at

xxxxxxx

If you would like to schedule an interview with a PM USA employee, please call

xxxxxxxxxxx

You may also write to:

**Philip Morris U.S.A.
Media Affairs
120 Park Avenue
New York, NY 10017**

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Contact Us

Consumer Affairs

If you are an adult smoker and have a question about our products or brand programs, please call

1-800-343-0975.

You will be greeted with a variety of options to help guide your call to the right consumer affairs specialist

You may also write to:

**Philip Morris U.S.A.
Consumer Affairs
120 Park Avenue
New York, NY 10017**

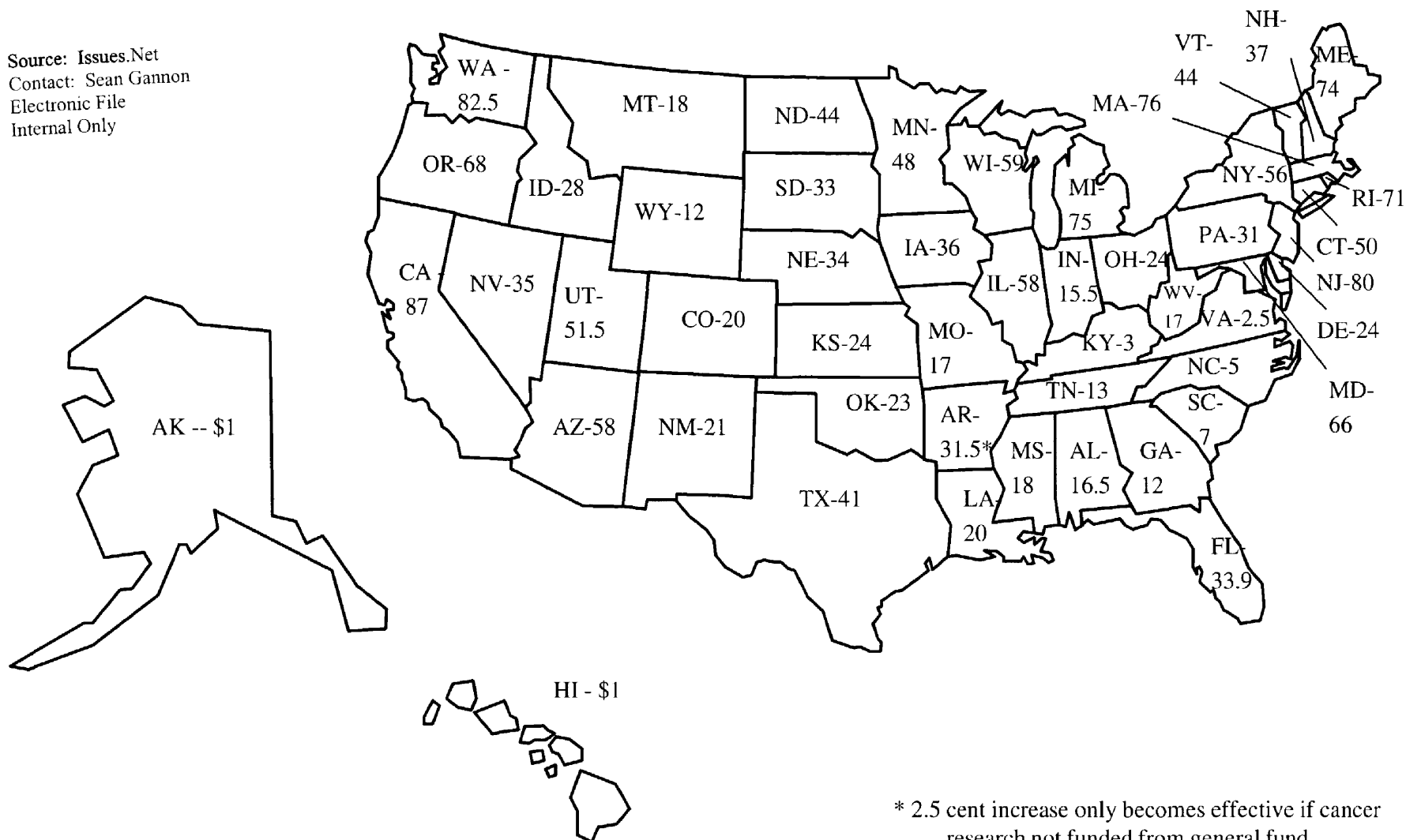
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ISSUES.NET

State Cigarette Excise Tax Rates

Cents-per-20-Pack as of July 1, 1999

Source: Issues.Net
Contact: Sean Gannon
Electronic File
Internal Only



* 2.5 cent increase only becomes effective if cancer research not funded from general fund

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Make Your Voice Heard

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Intro to come

Make Your Voice Heard

More than ever before, adults who choose to smoke are playing an important part in the nation's legislative process by contacting their elected officials and letting them know how they feel about smoking-related issues.

Here's how to contact your federal officials and Make Your Voice Heard:

Find your Senators
Email your Senators

Find your Representatives
Email your Representatives

Or, write or call:

President Bill Clinton
1600 Pennsylvania Avenue
Washington, D.C. 20500
(202) 456-1414

U.S. House of Representatives
Washington, D.C. 20515
(202) 225 3121

U.S. Senate
Washington, D.C. 20515
(202) 224-3121

Link to tobacco issues

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Tobacco Issues

We believe that information empowers and that only informed adults should consider the decision whether to smoke or not. *(expand)*

1. (Shared corporate topics)
2. (USA specific info) Ingredients by Brand to be cross-referenced with "products" section in "Our Company."

There are also important legislative issues being discussed at national and state levels that directly affect Philip Morris U.S.A. and our adult consumers. We want to keep you informed about these issues so that you can make informed choices. We also want to clearly state our company's position.

The Proposed Federal Lawsuit
The Proposed Federal Excise Tax Increase
Gray Market Sales

*smoking bans included with corporate positions

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Proposed Federal Lawsuit

In his 1999 State of the Union address, the President called on the Department of Justice to develop a lawsuit against the tobacco industry. However, just two years ago the Attorney General told Congress that the federal government had no legal authority to sue the industry for billions of dollars. Only after political pressure was applied by the White House did the Justice Department indicate that an independent cause of action may exist after all.

If the government does file a case, it is expected to base its claims on the Medical Care Recovery Act, which allows the government to sue for the cost of medical care paid out due to a third party's negligence.

We believe:

- ◆ That this argumentation is based on novel legal theories that would not withstand a trial.
- ◆ That the filing of a Federal lawsuit would set a dangerous precedent that could be used by any future administration to bring the authority of the Federal government down on any legal business.
- ◆ The Justice Department should not try to accomplish through litigation what the Congress rejected in legislation last year.
- ◆ That the nationwide tobacco settlement signed in November 1998 should be given a chance to work. In that agreement, 46 states and certain territories settled their lawsuits against the tobacco industry. The settlements provide \$206 billion in payments to the states over the next 25 years, subject to adjustments, and require the tobacco industry to change its marketing practices. Moreover, as part of the settlement agreement, the participating companies are giving money to the states to fund independent youth smoking prevention campaigns. Earlier agreements with slightly different provisions were signed with the other four states.

Congress is currently considering legislation that would allocate \$20 million to develop this federal lawsuit against the tobacco industry. In August, the House of Representatives and the Senate each passed a Commerce-Justice-State funding bill that rejected funding for the lawsuit. The larger appropriations bill of which they are a part now goes to a House-Senate conference committee.

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Gray Market

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Gray Market

"Gray market" refers to products such as cigarettes that are manufactured for export but brought into the United States by third parties for domestic sale.

Because these products were never intended for domestic sale in the U.S., they are also referred to as "diverted product" since they are diverted from their intended destination and are outside the normal distribution system.

Regarding Philip Morris USA, gray market cigarettes are materially different in several respects from cigarettes manufactured by Philip Morris and intended for sale in the United States. These differences include the failure to meet federal regulations for required health warnings, differences in packaging, a lack of quality control in the distribution process and the absence of proofs of purchase required for certain promotional programs.

In some instances, dealers in gray market product sometimes alter the packaging by affixing paper or plastic stickers to the outer cartons in an attempt to conform to federal health warning requirements. Often, the original plastic outer wrapper of packs has been removed, stickers have been attached to cover the legend indicating "U.S. Tax Exempt For Use Outside U.S." and the product is re-wrapped in a manner that creates a homemade, unattractive appearance that is inconsistent with the quality of packaging consumers expect and receive from the manufacturer.

State attorneys general have expressed concern that the sale of cigarettes intended for export could reduce payments to the states under the Master Settlement Agreement. Under this settlement agreement, as domestic sales volumes for participating manufacturers decrease, so do the levels of payments to the states. Because gray market sales are not part of the manufacturers' domestic volume (since they are intended for overseas sale), gray market sales in the U.S. could potentially reduce payments to the states.

Wholesalers and retailers who deal in gray market product have an unfair, competitive advantage over those who obtain product through the normal chain of distribution and sell product in the original manufacturers' packaging that complies with applicable federal laws pertaining to health warnings and packaging.

Philip Morris U.S.A. Supports All Reasonable Efforts To Prevent The Sale Of Gray Market Product

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Philip Morris U.S.A. has taken steps on several fronts to help eliminate the sale of gray market cigarettes in the United States. The company is committed to working with others to support reasonable efforts to eliminate gray market activity.

Legislative Action

The Balanced Budget Act of 1997 addresses circumstances under which export product can be re-imported into the United States. The Statute further directs the Bureau of Alcohol, Tobacco and Firearms to write regulations addressing the implementation of this statute. Until the regulations are issued and implemented, it is not clear how much impact this statute will have on reducing the gray market cigarette sales in the U.S.

In order to have a more immediate impact on the sale of gray market product in the states, and to allow enforcement of the federal law at the state level in the event that the federal law, once it takes effect, does not adequately address the gray market problem (either because of interpretation or enforcement), Philip Morris U.S.A. is taking an active role in supporting state legislation to make gray market activity illegal.

These laws are independent of any federal action and we would like to see them enacted as soon as possible.

As of August 27, 21 states have passed legislation pertaining to gray market cigarettes in 1999.

Philip Morris U.S.A. is committed to working with state legislators, state attorneys general, wholesalers, retailers and others to support any reasonable state bill that demonstrates an effective approach to eliminate gray market activity.

Such approaches could include but are not limited to:

- ◆ Prescribing the condition of cigarette packages to which state excise stamps may be affixed, in such ways as to exclude gray market product.
- ◆ Limiting those authorized under state law to affix state tax stamps to 1) manufacturers and those in the trade who purchase product directly from cigarette manufacturers or 2) the agents of foreign manufacturers.
- ◆ Imposing penalties for violators and repeat violators.
- ◆ Providing for seizure and forfeiture of contraband cigarettes.

We will continue to work aggressively with state and federal authorities to eliminate gray market cigarettes from the U.S. domestic market and to gain passage and enforcement of laws to prevent the importation of these gray market products.

Philip Morris U.S.A. Wholesale and Retail Trade Policy

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Philip Morris U.S.A.'s position is quite clear on the gray market issue. We oppose sale of this product in the U.S. and we have communicated the following policy to our wholesale and retail accounts.

Our wholesale policy is that any customer who buys cigarettes directly from Philip Morris that we determine to be involved, directly or indirectly, with Philip Morris export product will be taken off direct status and forfeit any accrued and unpaid earnings as part of our merchandising program.

Our retail policy is that any retailer found selling Philip Morris export product will be ineligible for Philip Morris U.S.A.'s retail merchandising program and will remain ineligible for participation in that program for up to 12 months following the retailer's termination of trade in such product. Retailers trading in PM export product will not be offered PM USA promotional resources.

We believe that our position with our trade customers provides a strong financial disincentive against dealing in product manufactured for export.

Philip Morris U.S.A. Legal Action

Since March of this year, PM USA has filed lawsuits in Indiana and California against companies and individuals who have sold or distributed gray market versions of the company's Marlboro brand. The lawsuits are currently pending trial.

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Excise Taxes

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The Proposed Cigarette Excise Tax

We believe cigarette excise taxes are unfair because they fall most heavily on middle and lower income taxpayers who choose to smoke. They also cost jobs, as higher taxes mean fewer sales, and fewer sales translates into lost jobs in core and related industries.

In his 1998 budget proposal to Congress, the President called for a 55 cent per pack increase in the federal excise tax on cigarettes, coupled with an acceleration of the already scheduled 15 cent increase.

Key points Against the Proposed Federal Tax Increase

- ◆ Americans should not be hit with more tax increases in this era of budget surpluses. The projected surplus is more than adequate to address social security, increase spending on priority programs and/or pay down the federal deficit. A new tax on already overtaxed Americans is unnecessary and could imperil further economic expansion.
- ◆ The Administration wants working families to pay the tab for a bigger federal government. The Barents Group, the policy economics practice of the accounting firm KPMG, has calculated that working families earning \$30,000 or less who have an adult who chooses to smoke would pay nearly 47% of these new taxes.
- ◆ According to an analysis done by the American Economics Group, the Administration's proposed 55 cent tax increase threatens a potential overall job loss of nearly 170,000 of the estimated 1,460,000 people in the U.S. who are employed either directly or indirectly by the tobacco industry. Potential job loss figures include 42,000 of the more than 455,000 direct tobacco industry jobs; 20,000 of the 215,000 jobs in the tobacco supplier industry (such as fertilizer, paper and transportation); and 107,000 of the 830,000 jobs created because tobacco industry employees and their families spend money on goods and services.

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Smoking Bans

We believe that everyone's choices should be respected when it comes to the issue of smoking in public places.

Non-smokers should be able to expect an environment in which smoke and odor do not bother them. At the same time, adults who choose to smoke should be able to do so in a pleasant and comfortable environment. Public policies that mandate all out smoking bans neither respect these choices nor achieve balance for non-smokers and smokers.

While we support voluntary restrictions and reasonable regulatory measures, we do not support complete government imposed smoking bans or severe restrictions. Instead, we favor smoking policies that support reasonable accommodation and provide a comfortable and pleasant environment for both those who choose to smoke and those who do not.

We believe smoking bans result in negative economic and social impact on businesses, their customers and employees and that business owners should have the right to choose the smoking policy that best suits their needs.

We believe that there are reasonable options, such as enhanced ventilation and technical improvements in ventilation systems, to help create a comfortable environment for everyone -- non-smokers and smokers alike.

For more information on smoking bans, visit our section on [Public Place Smoking](#).

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Who we are

We are more than 12,000 people working across the United States and five U.S. territories with one, overriding mission: to be the most responsible and respected developer, manufacturer and marketer of consumer products made for adults.

To accomplish this, we rely on a set of core values to guide us:

- ♦ **Operating with integrity, trust, and respect;**

We conduct ourselves within both the spirit and the letter of the law; fully disclose appropriate information about our products; and are honest with one another and with the public.

- ♦ **Sharing with others by helping the communities in which we live and work;**

We foster an environment in which our people can contribute their time, energy and commitment to their families, their neighbors, their colleagues and their communities. As a company, we acknowledge and embrace our role as a responsible, involved citizen and community leader.

- ♦ **Driving quality, creativity and a passion to succeed into everything we do;**

Whether it be in a business area or in programs to help reduce youth smoking or protect adult choice, we bring optimism, initiative and dedication to our drive for success. We are receptive to new ideas, applauding those who dare to think differently. We continually raise our expectations for what is possible and encourage a constructive dissatisfaction with our results.

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Acc. Overview

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Public Place Smoking

We believe that everyone's choices should be respected when it comes to the issue of smoking in public places.

Many non-smokers find environmental tobacco smoke annoying. Others are concerned about health risks. For these reasons, we believe non-smokers should be able to expect an environment in which smoke and odor do not bother them.

At the same time, adults who choose to smoke should be able to do so in a pleasant and comfortable environment. And business owners should be able to choose the smoking policy that best suits the needs of their business and the preferences of their customers and employees.

Public policies that mandate all out smoking bans neither respect these choices nor achieve balance for non-smokers, smokers and business owners. Not only are smoking bans not reasonable solutions, they can result in negative social and economic impact for businesses, employees and customers. We support reasonable regulatory measures that take everyone's preferences into account. However, we believe business owners are in the best position to determine the appropriate policy for their business and should be provided flexibility in doing that.

We believe that there are many options for a variety of circumstances that can provide comfort for both non-smokers and smokers in a balanced way: Ventilation improvements. Separate areas. Separate rooms. And sometimes no separation at all.

By working together, we believe we can make a difference in finding balance and comfort for both non-smokers and smokers. That's why we support a national initiative called "Options." Its mission is to help business owners, public policy makers and the general public find effective ways to accommodate everyone's preferences – non-smokers and smokers alike. For more information, click [Options](#).

The Benefits of Accommodating Non-smokers and Smokers

More than three quarters of Americans believe "smoking or non-smoking" is a choice customers should be offered when entering a restaurant or hotel, according to a national survey commissioned by the Distinguished Restaurants of North America (DRNA) and conducted by Roper Starch Worldwide (June, 1998)

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The survey polled more than a thousand adults from across the country and found that 77 percent of the American public agrees that "we should find a way to accommodate both smokers and non-smokers in hospitality establishments."

According to the same poll, Americans by large majorities believe restaurants and hotels should be free to take into account the preferences of all adults – non-smokers and smokers alike – when they set their smoking accommodation policies. A poll of bar patrons sponsored by the National Licensed Beverage Association found that 64 percent of respondents believe non-smoking and smoking choices should be accommodated in bars. Both polls found nearly 80 percent of the public agrees that ventilation can make a difference on public smoking issues.

The DRNA survey also found that:

- ◆ 89 percent agree that those who choose to smoke and those who do not should respect each other's choices;
- ◆ Nearly 80 percent of respondents believe good ventilation can have an impact on smoking issues;
- ◆ 75 percent believe that smoking issues can be resolved through common courtesy;
- ◆ 54 percent believe smoking should be allowed in designated areas of restaurants;
- ◆ 61 percent said that smoking should be allowed in designated hotel rooms.

Many business owners agree that enjoying a cigarette is one of those choices that contributes to some of their guest's fine dining experiences. Likewise, not being bothered by smoke is just as important to others' ideal dining experience. The answer -- which the industry has known all along and our customers have endorsed -- is separate, well-ventilated areas to accommodate both choices.

Business Owners' Right to Choose

When it comes to who should be primarily responsible for setting smoking policies in hospitality establishments, the survey found that 55 percent of Americans believe that business owners should decide. A further 22 percent believe customers should have this responsibility, while only 19 percent would put it in the hands of the government.

The best choice for business owners is the one that generates more business and provides the most comfort for all patrons. As a result, many hospitality associations have come out against government-mandated smoking bans. The associations reflect the viewpoints of their memberships, which have found that bans can cause a significant and negative impact on a business's bottom line. Two months after a smoking ban went into effect in California, over 59 percent of bar owners reported a

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decrease in sales; stand-alone bars were hit with an average decrease of over 81 percent.²

To demonstrate that there are viable options to smoking bans, hospitality associations are exploring reasonable ways to accommodate all customers. The industry has teamed up with indoor air quality experts — including heating, ventilation, and air-conditioning (HVAC) manufacturers and contractors — to look into cost-effective, efficient ways to create pleasant and welcoming environments.

Working to provide accommodating environments and to define reasonable solutions to smoking bans has become a priority for many hospitality businesses, and for good reason: Every restaurant, hotel, bar, and bowling center wants to attract and keep as many customers as possible.

Government Regulation and the Impact of Bans

Studies confirm that restrictive smoking bans result in a negative economic and social impact. In addition, statistics indicate that smokers generally spend more time lingering in an establishment.

Some owners and managers predict as much as a 20 percent downturn in business following a mandated smoking ban, such as the one mandated by State of California. Six separate state polls revealed that business owners and managers said they would expect to have layoffs if bans were enacted.

According to recent surveys of managers and patrons in the city of Boston, the imposition of severe smoking restrictions has already reduced patronage there. The study, commissioned by the International Society of Restaurant Association Executives, found that the restaurant industry in Boston could potentially lose an estimated \$40 million as more patrons frequent ban-free towns outside of Boston. In addition, it is estimated that tips are down 15 percent and more than 650 people could lose their jobs.

Last year the American Beverage Institute conducted a telephone survey of 300 owners and managers of California establishments that serve beverage alcohol, some of which were affected by the January 1, 1998 statewide smoking ban. The results indicate that the majority of establishments, 59.3 percent, experienced a decrease in business since the ban went into effect; while 30.3% experienced no effect; 6.7% experienced an increase in business; and 3.7% refused to answer or did not know.

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The bottom line is that reasonable options that accommodate everyone's preferences and provide comfort and balance for customers and employees are better than outright smoking bans. The final choice should rest with the marketplace, with business owners having the flexibility to accommodate everyone.

* * *

To find out more about the studies cited above, or to read a number of other studies that demonstrate hospitality industry and consumer support for accommodation and the negative impact of bans on business, please visit our *Economic Impact Compendium* in our *Options Library*.

For our position regarding smoking ban legislation, please visit our *Tobacco Issues* section.

² Poll conducted in April 1998 by the American Beverage Institute.

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Options, Philip Morris USA
Finding Balance & Comfort For Both Non-Smokers And Smokers

"Options" is a Philip Morris USA initiative to help find effective ways for businesses, public policy makers and the general public to provide balance and comfort for both non-smokers and smokers in public places.

Our Commitment

Our commitment is to stimulate discussion and facilitate a marketplace that employs practical approaches to accommodating non-smoker and smoker preferences. We will ...

Communicate what is possible

Advocate accommodation and reasonable options -- both technical and non-technical -- for non-smoker and smoker comfort, based on the public's accommodation expectations and the advancement of ventilation technologies

Facilitate discussion

Bring together industries, individuals and others with a mutual interest in technical and non-technical accommodation options to discuss and develop tailored approaches for specific types of places

Encourage experts and expertise

Seek and advance state-of-the-art thinking on ways to effectively accommodate business needs and the preferences of both non-smokers and smokers

Educate, based on experience

Provide information to help broaden understanding and acceptance of what can be achieved, how to make it happen, the benefits that can accrue to businesses and the possible positive impact on customer and employee satisfaction

Stimulate innovation

Support the advancement of knowledge and reasonable options that will ultimately help create accommodating environments for both non-smokers and smokers alike

Our Initiatives

We are supporting educational and communication programs and other initiatives to help the marketplace identify reasonable, balanced options. We will continue to seek and define new opportunities to support our mission of encouraging comfort for both non-smokers and smokers.

The Accommodation Program

A nationwide program designed to meet the specific needs of business owners in the hospitality industry by offering educational materials and seminars, communication programs, non-smoking and smoking signage and access to information on the latest design and application of ventilation technology.

- ◆ For detailed information, visit
- ◆ **Accommodation Fact Sheet** in our *Options Library*.
- ◆ **Accommodation Program Catalog** in our *Options Library*.

Telephone Ventilation Consulting Service

Expert engineers who are 'on-call' to provide information and insight into how business owners can improve their existing environment through the use of the appropriate

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- ◆ For detailed information, especially for business owners and managers, visit our section on **Ventilation**. Here you will find **Accommodation & Ventilation**; **Ventilation Questions and Answers** and **Access to Ventilation Consulting**.

Educational Materials

The creation and distribution of educational materials to help businesses understand and explore how their peers are effectively managing the accommodation of choice for both non-smokers and smokers. Case histories help explain how businesses and facilities have implemented successful accommodation policies and applied ventilation technologies. News articles, research findings and economic analysis help business owners stay current on options for public places.

- ◆ For detailed information, visit our **Options Library**, which contains an index of all our resources, all of which are either available on this site or can be mailed to you.

Information, Research and Data

Selective grants to support business and consumer research on public place accommodation preferences and economic and social impact studies. New and relevant data can allow businesses and public policy makers to take a balanced approach to decision making

- ◆ For detailed information, visit our **Economic Impact Compendium**, which contains numerous studies and polls.

Sponsorships

Sponsorship of programs to further education and communication of options in a wide range of industries. Other sponsorship initiatives include forums to facilitate discussion between the hospitality and other public place industries and the heating, ventilation and air conditioning community to identify reasonable ways to provide accommodation to both non-smokers and smokers alike.

- ◆ For detailed information, visit
- ◆ **Seminar Schedules** in our **Options Library**.
- ◆ **Atmosphere Plus**, a licensed beverage industry initiative sponsored in part by Philip Morris U.S.A.

Consulting On Accommodation Policies

Selective one-on-one consulting with business owners and facility managers to identify the possible business and customer benefits of accommodating both non-smokers and smokers alike; to explore the different accommodation policies that can be adopted; and to discuss possible ventilation enhancements based on existing industry-specific practices.

- ◆ For detailed information, visit our section on **Ventilation**. Here you will find **Accommodation & Ventilation**; **Ventilation Questions and Answers**; **Access to Ventilation Consulting**. Also visit our **Options Library** for case studies on **Richmond International Airport** and **Braves Stadium** as well as our **Accommodation Fact Sheet**.

Showcasing Ventilation Technology Applications

Selective funding of ventilation technology applications to showcase what is possible in terms of indoor air quality improvements and to build greater awareness for the state-of-the-art technologies that are available in the marketplace.

- ◆ For detailed information, visit our section on **Ventilation**. Here you will find Here you will find **Accommodation & Ventilation**; **Ventilation Questions and Answers**; **Access to**

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Ventilation Consulting; and our **Options Library** for a case study on The Hitching Post.

For more information on our initiative or to access our resources, please call us at 1-800-929-1414. Working together, we can find balance and comfort for both non-smokers and smokers.

Philip Morris USA's Options initiative does not purport to address the health effects attributed to smoking.

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Consumer S.10

Consumer Services

In this section you'll find news you can use on...

- ◆ The country's top 25 Airports, their smoking policies and the location of their accommodating facilities.
- ◆ Our new Urban Litter initiative, in which we provide our adult consumers with more options to dispose of their cigarettes properly, as well as address the needs of the community by planning for the installation and maintenance of dual-function ash/trash receptacles.
- ◆ To order the *1999 Guide of Distinguished Restaurants of North America*, which lists 635 restaurants and includes diner-friendly information, such as whether the establishment accommodates smokers, visit their web site at <http://www.dirona.com> The site also includes an online version of their guide.

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Helping Airport Accommodation Take Off

As airports emphasize comfort and convenience for travelers – and bring in more revenue from shops and food and beverage concessions – it becomes more important to create comfortable and convenient environments for both non-smoking and smoking travelers. This way, travelers who choose to smoke will be more likely to order food and beverages and make purchases in the airport's stores while the comfort of non-smokers will also be ensured.

Increasingly, airports are finding innovative ways to meet the preferences of all travelers, such as using enhanced ventilation in hospitality establishments, creating smoking sections and lounges inside airports, and, when outdoor smoking is the appropriate policy, creating comfortable and attractive shelters and providing ash receptacles.

As part of Philip Morris U.S.A.'s commitment to accommodation, we are working with selected airports across the country to help define the accommodation options available, develop solutions and in some cases, fund technological improvements, such as the installation of state of the art ventilation equipment.

Below you will find a list of airports throughout the U.S. describing the steps they have taken to accommodate the preferences of non-smokers and smokers.

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MAJOR U.S. AIRPORT SMOKING POLICIES as of June 1, 1999

AIRPORT	SMOKING POLICY
Atlanta Hartsfield International	Permitted in eleven smoking lounges, located in Concourse A (A-14, A-23), Concourse B (B-7, B-24), Concourse C (C-17, C-28), Concourse T (T-3, T-13) and Concourse E (E-8, E-17, E-28), the international facility. Smoking will also be permitted at the Budweiser Brewhouse (Concourse A) scheduled for completion in Fall 1999
Boston	Permitted only in designated smoking areas outside the terminal; and in the bar areas of AA and US Airways clubs.
Charlotte	Permitted in designated restaurants
Chicago O'Hare	Permitted only in designated smoking areas outside the terminal; a designated smoking area in Terminal 5 (International Terminal) in the Intransit Lounge; United Airlines Red Carpet Lounge (Concourse C); AA Admirals Club (Terminal 3)
Cincinnati	Permitted in designated bars, restaurants and in smoking lounges
Dallas/Ft. Worth	Permitted only in designated smoking areas outside the terminal
Denver	Permitted in Aviator's Clubs located in Jeppesen Terminal and in Concourse B
Detroit	Prohibited
Honolulu	Permitted in designated bars and restaurants
Houston	Prohibited
Las Vegas	Permitted in designated bars/restaurants and in smoking lounges located throughout the Airport. Two in the Rotunda, two in the C gate area (C-16 and C-7), two in the D gate area (D-2 and D-31), one in the B gate area (beyond B-15), one in the A gate area (A-7) and one on the first level of the ticket counter area in Terminal 2
Los Angeles	Permitted only in International Terminal Intransit Lounge

Source: GKMG Consulting

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AIRPORT	SMOKING POLICY
Miami	Permitted only in International Terminal Intransit Lounge and 8 th floor lounge of airport hotel
Minneapolis	Permitted only in designated smoking areas outside the terminal
New York/JFK	
Terminal 1 (Air France, Korea, Lufthansa, Japan Airlines)	Permitted in all bars and lounges as well as in the lounges of each airline club; and in a smoking lounge in the South Concourse
Terminals 2 and 3 (Delta)	Permitted only in the International First Class/Business Class Lounge
Terminal 4 (JFKIAT)	When completed (scheduled completion May 2001), smoking will be permitted in designated bars/restaurants
Terminal 5 (TWA)	Prohibited
Terminal 6 (TWA)	Permitted only in the bar located airside
Terminal 7 (BA)	Permitted in bars/lounges
Terminal 8 (AA International)	Permitted only in a designated area of Admiral's Club
Terminal 9 (AA-Domestic)	Permitted only in a designated area of Admiral's Club
New York/La Guardia	Permitted in bars/cocktail lounges and designated sections of airline clubs
Newark	Permitted in designated bars in Concourses A and B, prohibited in Concourse C; also permitted in designated areas of US Airways Club and American Airlines Admiral's Club
Orlando	Permitted in designated restaurants, bars and lounges
Philadelphia	Permitted in designated restaurants and bars
Phoenix	Permitted in designated bars/restaurants and will be permitted in a yet to be completed smoking lounge in Terminal 2
Pittsburgh	Permitted in designated restaurants and bars

AIRPORT	SMOKING POLICY
Salt Lake City	Permitted in smoking lounges located by gates C-8, D-1, D-8 and in the lobby of Concourse E. The area at the top of the escalators in Terminal 1 is also a designated smoking area
San Francisco	Permitted only in smoking lounges located on the upper level of the North Terminal near Gates A-60 and 80, the South Terminal near Gate A-21 and across from the Delta Ticket Counter, and on the lower level near baggage claim in the International Terminal
Seattle	Permitted in a smoking lounge in the South Satellite for International passengers and in the American Airlines Admiral's Club
St. Louis	Permitted in eight smoking lounges located in: Concourse A (A-9), Concourse B (B-6), Concourse C (C-10), C-28), Concourse D (D-16), Concourse E (E-12, E-20, beyond E-33)
Tampa	Permitted in smoking lounges on the airside in all concourses
Washington Dulles	Permitted in three smoking lounges, located in Terminals B, C, and D
Washington National	Permitted in Foggy Bottom Brewpub Terminal B

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Philip Morris U.S.A. Supports Litter Initiative

Philip Morris U.S.A. has decades of experience in working with other organizations to address environmental issue and reduce consumer product waste. The Company was an original corporate sponsor of Keep America Beautiful (KAB), for example, and has been supporting the group for more than 40 years.

Now, the PM USA/KAB team is working together on an urban litter initiative in six cities across the country. We are providing technical and financial assistance to help Keep America Beautiful implement an initiative to place ash/trash receptacles in high-traffic areas and measure the results.

The PM USA/KAB program incorporates fresh approaches to dealing with cigarette litter. In too many places—big cities in particular—adults who choose to smoke do not have convenient places to dispose of their cigarette refuse. This program has been crafted in response to consumer need.

It rolled out in Denver in July and will begin in Columbus and Atlanta in August. The tests are being conducted in areas with high concentrations of pedestrians near shops, restaurants and office buildings.

A Roper Omnibus telephone survey conducted in 1997 found that non-smokers and smokers alike agree that there aren't enough ashtrays in many public places, including on sidewalks, in parks and other recreation areas, and at beaches.

The concept behind the initiative with Keep America Beautiful is to help make it easier and more convenient for adults who choose to smoke, in part by helping to educate municipalities and facilities managers about the need to provide proper ash/trash receptacles where they're needed.

Subsequent research will determine which methods have the biggest impact on urban litter in the selected cities. Based on successful test results, these initiatives may be extended to additional urban centers.

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Biz Owners

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Options for Business Owners:

Creating comfortable environment for both non-smokers and smokers

**Restaurants
Bars and Taverns
Hotels and Motels
Bowling Centers
Airports
Stadiums and Arenas**

What is reasonable accommodation of both non-smokers and smokers? It depends. The type of business, the physical structure of the place, and the expectations of customers and employees are all factors in defining reasonable accommodation in public places. Designated areas, separate rooms, smoking lounges, and sometimes, no separation at all, are ways that business owners choose to accommodate the preferences of both non-smokers and smokers.

The key to reasonable accommodation is comfort. That means that non-smokers, who may be annoyed by second-hand smoke or perhaps concerned about health risks, should be able to expect an environment where smoke and odor do not bother them. Of course, adults who choose to smoke should be able to do so in a pleasant environment when dining, socializing or enjoying activities in public spaces. We think there is a way to achieve comfort for everyone -- and that is enhanced ventilation.

Environmental tobacco smoke presents technical challenges to business owners who want to minimize smoke drift and odor. Today, there are many ventilation technology options available that can help business owners "clear the air" so that everyone is comfortable.

According to nationwide surveys, the majority of American's believe that we should find a way to accommodate both non-smokers and smokers. They also believe that ventilation can solve most or all of the issues associated with smoking in public places. We believe that business owners should choose the accommodation option that works best for them and we're committed to helping business owners find effective ways to make accommodation work for them.

Types of Venues

The hospitality sector is generally well suited to accommodate the preferences of non-smokers and smokers as its members have experience in serving customers with a wide range of tastes and preferences. In this section, we offer resources from

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which business owners can choose depending on the unique characteristics of their business.

Restaurants

For restaurant owners, accommodating the preferences of non-smokers and smokers is an important part of providing a welcoming environment for all customers. For example, restaurateurs may choose to accommodate through designated areas – sometimes only in the bar area – or they may even create a separately enclosed space.

The option that restaurateurs select will depend, in part, on the character and the existing structure of their establishment. For example, in smaller establishments, such as restaurants under 35 seats, designated areas may be not be practical. However, in larger establishments, restaurateurs may designate specific areas for adults who choose to smoke. The key is that business owners should also be able to choose the smoking policy that best suits the needs of their business and the preferences of their customers and employees.

Restaurateurs can help to proactively manage accommodation within their business by evaluating the lay-out of their specific establishment, how well the current ventilation system is working and how they communicate their accommodation policy.

For more information to help your restaurant, please click on:

The Accommodation Program: Details on how to help find balance and comfort for smokers and non-smokers.

Ventilation Facts: Details on ventilation basics that can help address problems associated with environmental tobacco smoke.

Case Studies: Sam & Harry's: Learn about a real business that used ventilation options to accommodate all customers.

National Restaurant Association: Learn more about the definitive membership-based business association for the restaurant industry.

Signage Catalogue: Regardless of the type of venue, communicating your smoking policy to guests is very important. Customers appreciate clearly marked non-smoking and smoking areas and prominently displayed accommodation signage that welcomes all customers at entrances. The Accommodation Program of Philip Morris U.S.A. offers a variety of signage to business owners free of charge.

Hotels and Motels

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Providing superior customer service is critical to the successful operation of hotels and motels – especially as they serve as places which are a home away from home.

Hotel and motel owners and managers must deal with multiple spaces when it comes to accommodating non-smokers and smokers, such as private guest rooms, restaurants, bar areas, banquet halls and common areas such as lobbies.

From the moment guests open the doors to their rooms, they begin judging the quality of their visits. Is the air fresh? Does the room have a stale odor? Many successful hotel and motel operators increasingly are demonstrating their commitment to all of their customers by designating individual guest rooms and/or floors for non-smokers and smokers within the hotel. They also provide designated areas for guests in all public spaces and prominently communicate their smoking policy through signage to welcome everyone.

Hoteliers can help to proactively manage accommodation within their business by evaluating the lay-out of their specific establishment, how well the current ventilation system is working within each specific area of the hotel/motel and how they communicate their accommodation policy.

For more information on hotel and motel accommodation, click on:

The Accommodation Program: Details on how to help find balance and comfort for smokers and non-smokers.

Ventilation Facts: Details on ventilation basics that can help address problems associated with environmental tobacco smoke.

American Hotel and Motel Association: Learn more about what other hotels and motels are doing to make their establishments win with customers.

Signage Catalogue: Regardless of the type of venue, communicating your smoking policy to guests is very important. Customers appreciate clearly marked non-smoking and smoking areas and prominently displayed accommodation signage that welcomes all customers at entrances. The Accommodation Program offers a variety of signage to business owners free of charge.

Bars

Owners of bars and taverns face a unique set of challenges related to accommodating non-smokers and smokers. Because of their social setting – and because they often tend to have smaller spaces -- designated areas and smoking bans in bars and taverns are not a realistic accommodation solution.

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Yet, we all know that a smoky bar can be annoying and bothersome to customers and employees. We believe that in many cases, ventilation can offer a reasonable way to create a comfortable environment for everyone.

The key is that business owners should also be able to choose the smoking policy that best suits the needs of their business and the preferences of their customers and employees.

Bar/Tavern owners can help to proactively manage accommodation within their business by evaluating the lay-out of their specific establishment, how well the current ventilation system is working and how they communicate their accommodation policy.

For more information to help your bar or tavern, click on:

The Accommodation Program: Details on how to help find balance and comfort for smokers and non-smokers.

Ventilation Facts: Details on ventilation basics that can help address problems associated with environmental tobacco smoke.

Case Studies: Coral Reef Yacht Club; Wizard's Sports Cafe

Learn about real businesses that used ventilation options to accommodate all customers:

National Licensed Beverage Association: Learn more about *atmospherePLUS* – a licensed beverage industry initiative designed to educate bar and tavern owners about practical, cost-effective ventilation options.

Signage Catalogue: Regardless of the type of venue, communicating your smoking policy to guests is very important. Customers appreciate clearly marked non-smoking and smoking areas and prominently displayed accommodation signage that welcomes all customers at entrances. The Accommodation offers a variety of signage to business owners free of charge.

Bowling Centers

Since the percentage of adult bowlers who choose to smoke exceeds the national average of adult smokers, bowling proprietors are always looking for innovative ways to accommodate all of their customers, non-smokers and smokers, in their centers.

There are a variety of ways to accommodate, many of which depend on the existing physical structure of the establishment and the customer base at a given time. Some steps include designating non-smoking and smoking areas within the center, such as concourses and common areas; allocating non-smoking and smoking lanes; adjusting the smoking policy based on the presence of adult and children's leagues; and designating areas within the restaurant facility and adult only areas such as bars.

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The key is that business owners should also be able to choose the smoking policy that best suits the needs of their business and the preferences of their customers and employees.

Bowling Center proprietors can help to proactively manage their accommodation within their business by evaluating the lay-out of their specific establishment, how the current ventilation system is working and how they communicate their accommodation policy.

For more information to help your bowling alley win with all of your customers, click on:

The Accommodation Program: Details on how to help find balance and comfort for smokers and non-smokers.

Ventilation Facts: Details on ventilation basics that can help address problems associated with environmental tobacco smoke.

Case Studies: Bowling Palace: Learn about a real business that used ventilation options to accommodate all customers.

Bowling Proprietors' Association of America: Learn more about what other owners are doing to make their establishments win with customers.

Signage Catalogue: Regardless of the type of venue, communicating your smoking policy to guests is very important. Customers appreciate clearly marked non-smoking and smoking areas and prominently displayed accommodation signage that welcomes all customers at entrances. The Accommodation Program offers a variety of signage to business owners free of charge.

Airports

According to a recent poll of the nation's largest airports, most of the top 25 airports now offer some form of accommodation within the airport. The key for airports is to develop a smoking policy that is comfortable and welcoming for all travelers, non-smokers and smokers alike. One option chosen by several national airports, including Richmond International Airport, is to create appealing and convenient smoking areas, to enhance ventilation systems and to clearly communicate their smoking policy.

As airports emphasize comfort and convenience for travelers – and bring in more revenue from shops and food and beverage concessions – it becomes more important to create comfortable and convenient environments for both non-smoking and smoking travelers. This way, travelers who choose to smoke will be less likely to

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go outside the airport to smoke and more likely to order food and beverages and make purchases in the airport's stores.

Non-smoking and smoking travelers at well-ventilated food and beverage facilities at Washington National, Columbus, Providence and JFK were polled on their attitudes toward smoking at these facilities. Over 90 percent did not find smoking in these facilities offensive. In addition, nearly one in four would not patronize the establishment if smoking were banned.

Ventilation Facts: Details on ventilation basics that can help address problems associated with environmental tobacco smoke.

Case Study: Richmond International Airport Learn how Richmond is accommodating all customers.

Signage Catalogue: Regardless of the type of venue, communicating your smoking policy to guests is very important. Customers appreciate clearly marked non-smoking and smoking areas and prominently displayed accommodation signage that welcomes all customers at entrances. The Accommodation offers a variety of signage to business owners free of charge.

Stadiums and Arenas

Stadiums and arenas present unique situations when it comes to accommodating the preferences of all customers. For example, designating smoking sections in seating areas may not work, even though the facility is outdoors, since seat location is so important to a person's enjoyment of a stadium even. And arenas, which are enclosed, present the same challenges as any indoor space.

Instead, stadiums and arenas have a number of options to accommodate non-smokers and smokers in bar areas, concourses and other common areas.

Facility operators can help to proactively manage their accommodation within their venue by evaluating the lay-out of their specific structure, how the current ventilation system is working in common areas, how they communicate their accommodation policy, and how food and beverage concessions can offer accommodating policies.

For more information about how some outdoor facilities are working on accommodation, click on:

Ventilation Facts: Details on ventilation basics that can help address problems associated with environmental tobacco smoke.

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Case Studies: Diamond Ballpark: Learn about a real business that used ventilation options to accommodate all customers.

Signage Catalogue: Regardless of the type of venue, communicating your smoking policy to guests is very important. Customers appreciate clearly marked non-smoking and smoking areas and prominently displayed accommodation signage that welcomes all customers at entrances. The Accommodation offers a variety of signage to business owners free of charge.

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Ventilation

Ventilation isn't just bringing outside air indoors. It's the use of a wide range of equipment and designs that can be used to make indoor environments more comfortable for everyone.

An increasing array of cost-effective ventilation technologies are now available that business owners can choose depending on the needs of their establishment. These range from simple technologies such as supplemental air cleaning equipment which can be easily installed in a space with minimal disruption, to sophisticated building-wide ventilation systems.

Since there is not a "one size fits all" approach to ventilation, the design and application of ventilation options will vary based on the actual physical space and the accommodation policy defined by a business owner. Business owners need to decide, along with their contractor or engineer, what approach will work best for them, thereby helping them to provide a comfortable environment for everyone.

Sometimes, inadequate ventilation can be due to the inappropriate use of existing equipment and the remedy may only require a minor adjustment by a ventilation professional. Whatever the source of the problem, in most settings adequate ventilation can provide a comfortable environment for all occupants regardless of whether or not there is smoking.

We believe that ventilation is a worthwhile investment that can reduce smoke and improve overall indoor air quality so that customers and employees -- both non-smokers and smokers -- are comfortable. And research shows that the public is receptive to ventilation as a reasonable approach to addressing issues related to tobacco smoke. According to a poll conducted for The Distinguished Restaurants of North nearly 80 percent of respondents -- both non-smokers and smokers -- believe good ventilation can have an impact on smoking issues. In addition, according to a poll conducted for the National Licensed Beverage Association, nearly 80% of adults surveyed believe that ventilation can have a lot or some impact on the resolution of smoke issues in bars and taverns.

In addition to its ability to address the sight and odor of tobacco smoke, investing in ventilation can result in several other benefits:

- ◆ Reduced housekeeping and maintenance costs
- ◆ Improved customer and employee satisfaction
- ◆ Long term energy savings
- ◆ Stronger bottom line

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By proactively managing ventilation within your establishment, you can set yourself apart from the competition and provide your customers/guests with an important reason to keep coming back. Clearly, investing in your indoor air quality makes good sense for your customers, employees and your business.

For more information, click on:

Access to Ventilation Consulting:

A fact sheet for businesses interested in the Inrvionment Hotline, sponsored by Philip Morris U.S.A.'s Options program, which provides ventilation consulting support

Accommodation & Ventilation:

A fact sheet on ventilation basics provided by Inrvionment.

Ventilation Questions & Answers:

Detailed answers to frequently asked ventilation questions provided by Inrvionment.

Glossary of IAQ Terms:

Explanations of terms commonly used by ventilation experts when discussing Indoor Air Quality.

Ask the HVAC Expert:

Frequently asked questions and answers about ventilation and a toll free number for businesses to use to ask specific questions

2071824697

LOAD ALL TITLES IF AVAILABLE
DIGITALLY BY 9/3

Options Library

Our commitment is to stimulate discussion and facilitate a marketplace that employs practical approaches to accommodating non-smoker and smoker preferences.

The documents below can be reached via this index, or by reading the various topics found in Accommodating Smokers and Non-smokers on our home page.

Surveys & Studies

Our "Economic Impact Compendium" contains all of the studies listed below. It is also available by calling 1-800 xxxxx.

Business Impact

**** Add ISRAE Study here

- ◆ American Beverage Institute Market Research Study, American Beverage Institute, April 1998
- The Economic Effect of Smoking Laws on Bars and Taverns, Philip Morris Management Co., February 1998
- Review of "The Effects of Ordinances Requiring Smoke Free Restaurants on Restaurant Sales," The Evans Group, March 1997
- Ohio Bingo Survey, Philip Morris Companies, Inc., January 1997
- Economic Impact of the City of Mesa Smoke Free Ordinance: Working Paper 2, City of Mesa Finance Department, October 1996
- The Food Services and Hospitality Sector and Metro Toronto Smoking Ban, Hotel & Restaurant Employees Union, Ontario Hotel & Motel Association and Ontario Restaurant Association, October 1996
- Economic Impact of the City of Mesa Smoke Free Ordinance Working Paper 1, City of Mesa Finance Department, September 1996
- National Survey of Restaurants and Bars/Taverns: Smoking Policies and Regulations, National Licensed Beverage Association (NLBA), September 1996
- The Impact of the Current and Proposed Smoking Bans on Restaurants and Bars in California, Southern California Business Association, April 1996
- Maryland Smoking Regulation Survey, Restaurant Association of Metropolitan Washington, March 1996
- Survey of New York City Restaurateurs, National Smokers Alliance, March 1996

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- Survey of Restaurant Owners and Managers about NYC Smoking Regulations, New York Tavern and Restaurant Association, July 1995
- NYC Restaurant Survey, New York Tavern & Restaurant Association, May 1995
- Potential Economic Effects of a Smoking Ban in the State of California, San Diego Tavern and Restaurant Association, May 1993
- Potential Economic Effects of a Smoking Ban in the City of San Diego, San Diego Tavern and Restaurant Association, October 1992
- Economic Impact of a Ban on Smoking at U.S. Bowling Centers, Bowling Proprietors' Association of America, June 1998.....Pages 1 - 5
- American Beverage Institute Market Research Study graphics.....Pages 6 - 9

Employment Impact

- Massachusetts Restaurant Smoking Bans, Massachusetts Restaurant Association, September 1996
- Restaurant Jobs in New York City, 1993 through 1st Quarter 1996, and the Restaurant Smoking Ban, Empire State Restaurant and Tavern Association, April 1996
- Restaurant Jobs in New York City, 1993 Through 1st Quarter 1996, and the Restaurant Smoking Ban graphic.....Page 10

Business Surveys

- West Virginia Hospitality Survey, The Club Association of West Virginia, January 1998
- Rhode Islanders' Attitudes Towards Smoking in Restaurants and Hotels, Rhode Island Hospitality and Tourism Association, December 1997
- Texas Statewide Hospitality Industry Benchmark Survey, Texas Restaurant Association, December 1997
- West Virginia Restaurant & Bar Survey, The Club Association of West Virginia, November 1997
- Smoking Issues in Wisconsin (Hospitality Business Industry), Wisconsin Restaurant Association, April 1998.....Pages 11 - 14
- Texas Statewide Hospitality Industry Benchmark Survey graphics.....Pages 15 - 17

Consumer Surveys

****ADD NLBA study here**

- Ohio Consumer Poll: Smoking in Hospitality Establishments, Ohio Restaurant Association, January 1998

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- Rhode Islanders' Attitudes Towards Smoking in Restaurants and Hotels, Rhode Island Hospitality and Travel Association, December 1997
- New York State Survey, New York Tavern and Restaurant Association, May 1995
- The National Survey of Adult Smokers, The National Smokers Alliance, November 1994
- The Estimated Impact on the Foodservice Industry of Proposed OSHA Regulations Regarding Smoking in the Workplace, National Restaurant Association, October 1994
- Smoking in Hospitality Establishments, Distinguished Restaurants of North America, June 1998.....Pages 18 - 22
- Smoking Issues in Wisconsin (Consumers), Wisconsin Restaurant Association, April 1998.....Pages 22 - 24
- Ohio Consumer Poll: Smoking in Hospitality Establishments graphics.....Pages 25 - 28

Accommodation Program

Accommodation Program Fact Sheet:

Basic facts on the PM USA Accommodation Program and its services

The Accommodation Program Catalog:

A catalogue of free signage that business owners can use to welcome both smoking and non-smoking customers.

Ventilation

Access to Ventilation Consulting:

A fact sheet for businesses interested in the Environment Hotline, sponsored by Philip Morris U.S.A.'s Options program, which provides ventilation consulting support services.

Accommodation & Ventilation:

A fact sheet on ventilation basics provided by Environment.

Ventilation Questions & Answers:

Detailed answers to frequently asked ventilation questions provided by Environment.

Glossary of IAQ Terms:

Explanations of terms commonly used by ventilation experts when discussing Indoor Air Quality.

2071824700

Ask the HVAC Expert:

Frequently asked questions and answers about ventilation and a toll free number for businesses to use to ask specific questions.

Case Studies

Richmond International Airport
Sam & Harry's, Tysons Corner, Va.
Coral Reef Yacht Club, Miami, Fla.
The Diamond Ballpark, Richmond, Va.
The Bowling Palace, Columbus, Ohio
Wizard's Sports Cafe

Sponsorships

Seminars:

A list of upcoming seminars on ventilation topics open to the public, especially business owners and managers.

In the Media: General Audience

***** ADD MESA and Ft. Wayne stories**

"Restaurants' poll finds smoking-ban opposition." Boston Herald, 10 Sept 1998

"In poll, backing for smoking compromise." The Boston Globe, 10 Sept 1998

"At Va. airport, a whiff of future?" The Philadelphia Inquirer, 11 July 1998

In the Media: Trade Stories

"Top-flight Accommodation." Engineered Systems, 1999

"When IAQ Goes up in Smoke." Contracting Business, June 1999

"The Power of Ventilation: An Airport Smoking Area that Works." HPAC, Jan. 1999

"Ventilation Module Resolves Smoking Controversy." HPAC, Jan. 1999

"Coalition to seek voluntary ventilation standards." Food Service News, June 1999

2071824701

"Ventilation can resolve smoking issue, tobacco study shows." Air Conditioning, Heating & Refrigeration News, 2 Nov. 1998

"Air Cleaning Equipment Brings Dog House into 21st Century." The Beverage Journal, Sept. 1997

Links

Professional Associations for Business Owners:

National Licensed Beverage Association (Atmosphere Plus)

National Restaurant Association

American Hotel/Motel Association

Bowling Proprietors' Association

Professional Associations specializing in Heating, Ventilation and Air Conditioning:

Excellence Alliance

Contracting Business Magazine

Air Conditioning Contractors Association

Dining out? Consult the dining guide of

Distinguished Restaurants of North America

Interested in more efforts to fight litter? Consult

Keep America Beautiful

2071824702

ADS Parent

USC Tobacco
Ode liners

— MSA
use
for fault
in US for
MSA

Youth Smoking Prevention

❖ Four Integrated Strategies ❖

We are applying a comprehensive approach that integrates the following four strategies to help reduce youth smoking.

Communication

We are developing and implementing communications directed at both youth and parent audiences through television and print advertisements, as well as exploring other communication vehicles including radio, interactive media and direct mail.

Communications directed at youth are designed to change youth perceptions about smoking and to convince them that smoking is not "cool," and they should not and do not need to smoke to define themselves. Communications directed at parents are designed to help them overcome barriers to engaging kids in a meaningful dialogue about not smoking and help them build self-esteem in young people.

Education

We are working with organizations and academic professionals focused on youth development to identify, develop and encourage the use of curricula that have been shown to have an impact on reducing youth smoking. These curricula use life skills training and problem-solving exercises to help students strengthen social and self-management skills, develop ways to set goals, manage anxiety and stress, and promote assertiveness to resist peer pressures.

We will inform educators and policy makers of effective curricula, help secure funding and actively encourage the use of effective curricula inside and outside classroom settings.

Community Action

We are working with leading youth and community-based organizations as well as policy makers who have an active interest in promoting positive youth development and preventing youth smoking.

We are developing, supporting and evaluating community-based programs designed to nurture protective factors which can be effective in reducing youth smoking and other risky behaviors. We believe this can occur through structured after-school activities that keep youth busy, mentoring and parenting programs that provide positive adult role models and peer interaction programs that provide positive peer

ADS
2 pages
- server
- twin
- ads

- Life skills site

4H

2071824703

influences. We are supporting the development and evaluation of models that meet the needs of youth for possible replication nationwide.

Access Prevention

We continue to support the prevention of youth access to cigarettes through the *Action Against Access (AAA)* initiative and the Coalition for Responsible Tobacco Retailing's *We Card* education and training program. These initiatives encourage face-to-face proof of age verification and compliance with minimum age sales laws. We continue to support the enhancement of responsible state youth access legislation and enforcement efforts, and encourage community-wide approaches to addressing the issue. Furthermore, we are identifying, developing and implementing approaches designed to reduce adult purchases on behalf of minors and youth access to cigarettes in the home and community.

WE
CARD

→ Karen Chaiton

READ ABOUT
Coalition for Tobacco Retailing

2071824704



AT&T FAXsolutionsSM

Date: Fri Aug 13 19:43:21 GMT 1999

Attention To: Gannon, Shawn - PM USA

Destination Fax: +1 917 663 5361

From: Patricia Martin
Phone Number: +1 847 646 2044
Fax Phone Number: +1 847 646 8648

Original Page Count: 1
(excluding cover page(s))

UA-Message ID: canb2-08/13/99-1

Addressed To:

fax!+19176635361 (Gannon, Shawn - PM USA)

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KRAFT FOODS

August 13, 1999

Oscar Mayer receives ProGro Award

For the second consecutive year, the Oscar Mayer Division recently received the ProGro Award for being the best meat, poultry and seafood supplier in the country. The award, which is sponsored by "Progressive Grocer" magazine, recognizes manufacturers in the following categories: meat and poultry; produce; non-edible grocery; snacks; general merchandise; health and beauty care; and beer, wine and soft drinks. Grocery retailers choose the winners based on their experiences with grocery manufacturers from across the country. This year's ProGro Awards will be presented on November 1 in Chicago and highlighted in the publication's October issue.

In the news...

"Food Processing" magazine recently named Kraft Foods one of "The 10 Best Food and Beverage Companies to Work for." Kraft was named number two in the top 10 list by executive recruiters and industry consultants for the company's new product development, quality sales force and trade initiatives. The article, which can be found in the publication's July issue, noted that "Kraft ranks as one of the industry's key training grounds."

In the same issue of "Food Processing," an article entitled "At Kraft, R&D means reach & dare" highlights the many roles of Kraft's R&D organization on the overall success of the company. The article highlights how Kraft successfully focuses R&D efforts on each of its brands while maintaining effective communication between the company's numerous brand R&D groups.

PM stock close, Thursday, August 12: 35 7/16
(Stock close, Thursday, August 5: 36)

Newsbreak is produced by Kraft Foods Corporate Affairs, in cooperation with the Operating Committee. If you have a story idea, contact Faryal Ahmed in Northfield at (847)-646-7800.

Newsbreak

2071824706

see intro from CC.

The People of Philip Morris U.S.A.

values stated

We define ourselves at Philip Morris U.S.A. by our involvement in the communities where we live and work and by our support for programs that serve undeniable human needs. We have had a prominent corporate citizenship program for more than 40 years, because it's the right thing to do.

Our primary areas of giving are:

Positive Youth Development: With the hope that we can positively influence youth development and help prevent underage use of tobacco products, Philip Morris U.S.A. is committed to supporting a wide-range of youth programs and organizations. For more information, click [Positive Youth Development](#).

Education: Philip Morris U.S.A. is committed to helping key universities and colleges with scholarships, MBA development and other educational programs. For more information, click [Education](#).

The Environment: Protecting the environment and the communities of our employees and consumers is another area of concern for PM USA – and directly tied to our Litter initiative. For more information, click [The Environment](#).

Community Development: PM USA works to promote a community's economic stability by contributing to projects that support a community's infrastructure, that ~~create better schools~~ and that improve the quality of life, making the community a better place to live and work. For more information, click [Community Development](#).

Employee
Volunteers: Memo Mike just sent: See large
Volunteers ★

2071824707

See e-mail from CC

Range 2,000 - 25,000

Positive Youth Development

We are committed to helping young people have access to resources that can help them face challenges and make good decisions in a world where choices and pressures can be overwhelming.

Our initiatives will help fund programs and organizations that focus on asset and skill-building among young people in middle school and high school so that they can develop strong interpersonal, judgement and problem-solving skills.

These grant-making efforts directly support the objective of our Youth Smoking Prevention department by providing youth with the skills needed to help them make the right decisions in their lives, including the decision not to smoke.

Most experts agree that a key aspect of helping young people grow into healthy, productive adults is to provide them with safe, nurturing experiences outside of school hours. Given these important findings, we have decided to focus our grant-making efforts primarily in the after-school area.

Our primary goals in this area of grant-making are to expand and enhance non-school hour or extended day programs because we know that structured activity is a protective factor that can promote positive behavior in youth.

PTA here from Guidelines

We want to help your efforts:

Philip Morris U.S.A. would like to invite youth-serving organizations that provide youth with structured after-school activities to apply for grants. Organizations who wish to apply must be prepared to outline a specific plan for how their program meets our criteria, how the funds will be used, and how the program will be measured for effectiveness.

We are embarking on a long-term, comprehensive commitment where we hope to make a real impact and look forward to joining with others who share our interest in promoting positive youth development and reducing the incidence of youth smoking.

Please click on [Positive Youth Development Grant Guidelines](#) for more information on how to apply.

2071824708

**PHILIP MORRIS USA
POSITIVE YOUTH DEVELOPMENT
GRANT GUIDELINES**

PHILIP MORRIS USA'S POSITIVE YOUTH DEVELOPMENT FOCUS

Philip Morris USA believes in helping people in need in the communities where we do business and our employees live. In order to better serve these communities, and to better align our charitable contributions with our core business objectives, we are changing the focus of our corporate giving to include programs that support positive youth development.

We are committed to helping ensure that young people have access to resources to assist them in making good decisions in a real world where choices and pressures can be overwhelming. We will provide funding to organizations that focus on asset and skill-building among young people, ages 10 to 18, so that they can develop strong interpersonal, judgement and problem-solving skills.

Our primary goals in this area of grantmaking are to:

- ☐ Expand and enhance non-school hour/extended day programs, and
- ☐ Connect schools and community-based organizations, to increase youth programs and services.

Successful programs will include *all* of the following elements:

- Focus on youth ages 10 to 18, *with emphasis on 10 to 14 year olds.*
- Focus on building on youth's assets and helping them develop life skills
- Services delivered in non-school hours.
- Programs that involve youth in planning, decision making, and implementation.
- Take a comprehensive approach to addressing risky behaviors for youth, not only youth smoking.

Funded programs *must* include *two or more* of the following key components:

- Providing safe, nurturing, non-threatening environments for out-of-school programs;
- Focusing on positive outcomes and emotional as well as physical health and developmental issues;
- Preparing youth for the future; building skills/competencies;
- Developing an ongoing relationship with a caring adult;
- Providing structured community service activities.

Philip Morris USA would like to link Positive Youth Development grants with other areas supported by the Philip Morris family of companies. Therefore, we are especially interested in efforts to:

- Provide nutritious meals and snacks to at-risk youth.
- Use arts and culture as potential vehicles for reaching/involving youth.
- Introduce youth to the world of careers and help them develop marketable skills.
- Improve communication and mediation skills among youth, and between youth and their parents.
- Strengthen families and involve parents in their children's lives in meaningful ways.

WHO CAN APPLY?

The Positive Youth Development initiative is interested in receiving funding applications from a wide range of youth-serving organization, such as:

- | | |
|--|---|
| ▪ Boys and Girls Clubs | ▪ tutoring programs |
| ▪ YW/MCAs | ▪ life skills initiatives |
| ▪ mentoring programs | ▪ peer outreach programs |
| ▪ after-school or summer activity programs | ▪ other asset- or skill-building initiatives. |

All applicants must be nonprofit, tax-exempt organizations under section 501 (c)(3) of the IRS Code.

2071824709

CRITERIA FOR GRANT SELECTION

In evaluating proposals, we will look for promising or proven-effective quality programs that provide services directly to youth. Funding decisions will be based on the following factors:

- Fit with Philip Morris USA's programmatic interests.
- Organizational capacity to create, implement and sustain quality programs that provide direct services.
- Expected measurable impact/outcomes and system for measurement.
- Organization's history in addressing positive youth development issues in the community.
- Applicant organizations must have been in existence at least three years.
- Staff qualifications and experience.
- Financial health of the organization.
- Potential or identified funding partners.
- Opportunities for Philip Morris USA employees and retirees to volunteer.

Questions that we will consider when reviewing proposals include:

- How has the applicant measured community need for this program/service?
- How well do the proposed services match community needs?
- What is the planned impact of the proposed project or activity? How many youth will this program reach?
- To what extent are youth involved in program planning and governance?
- To what extent is the organization capable of successfully implementing the proposed project or activity?
- From what other sources is the organization gathering financial support for the proposed project or activity?
- For new programs, how will the organization ensure a successful launching of the program and sustain it?
- How does the organization plan to measure program progress and evaluate its outcomes?
- Does the proposed program provide an innovative and effective approach to serving youth?

Site visits will be made to most applicant organizations prior to final funding decisions.

Generally, Philip Morris USA will not fund or contribute to individuals, research projects, endowments, or building campaigns. Grants for general operating expenses ordinarily will not be considered.

HOW TO APPLY FOR A GRANT

WHAT TO INCLUDE:

Organizations interested in applying for a grant should submit a completed copy of the Philip Morris USA Positive Youth Development Grant Application, with all required attachments.

Along with the completed Grant Application, a copy of each of the following must be submitted. ***Incomplete applications will not be considered.***

- | | |
|---|---|
| ▪ Attachment 1 -- Total annual operating budget | ▪ Attachment 5 -- Most recent IRS Form 990. |
| ▪ Attachment 2 -- Program Budget | ▪ Attachment 6 -- Audited financial statements. |
| ▪ Attachment 3 -- Funding Information | ▪ Attachment 7 -- Most recent annual report. |
| ▪ Attachment 4 -- Copy of IRS 501(c)(3) letter | ▪ Attachment 8 -- Board of Directors list |

WHERE TO SEND YOUR APPLICATION:

Requests for more information or submission of completed applications should be sent to:

Philip Morris USA
Trade and Business Relations
120 Park Avenue, 14th Floor
New York, NY 10017

Telephone: 917-883-3860 Fax: 917-883-5565.

kill #

800 # from Gen Grubbs

2071824710

Develop workforce readiness + Diversity development
Budget capex in 2000 paper to Black leaders of tomorrow
Provide resources that otherwise student wouldn't have

Education

Restoration?

Philip Morris U.S.A. is committed to helping ^{key} universities and colleges with scholarships, MBA development and other educational programs.

As a company, we support education through grants and programs. As active members of the communities, we try to make a difference with volunteer efforts of all shapes and sizes -- whether it be hours devoted to Junior Achievement fundraisers; PM researchers helping students with their science projects; or hosting book fairs to aid local libraries.

When it comes to initiatives, one of the efforts we are most proud of is the Thurgood Marshall Scholarship Program. Based on academic excellence, the scholarships are awarded to minority students nationwide who attend Historically Black Colleges and universities throughout the United States. PM USA, which began its support in 1996, funds 20 scholarships in the program. Each student is given the opportunity to intern at PM USA during the summer in Marketing, Sales and Operations and is paired with a senior vice president or vice president mentor.

EXPAND

* MBA example needed: INFO TK

* Other program needed.

If you would like to see how your educational organization can apply to Philip Morris U.S.A. for resources, please visit our Contributions Guidelines page.

*For info. Union
(no implied support)*

*Core
BIZ relationships
- Engineering Scholarships
- 2002 Schools
- Career placement office
- Volunteers*

* SEE Bulletin
on Fundraising
(Back Page)

2071824711

Intro: Consumer product ~~as a~~ letter issue,
raise awareness. (what we are trying to do)

- Consumer waste products or letter

Support env. issue
for 40 yrs.
PM USA has been
involved in letter.

The Environment

EXPAND

Protecting the environment and the communities of our employees and consumers is another area of concern for PM USA – and directly tied to our Litter initiative, in which contributions support clean-up campaigns for beaches, parks and other public venues, as well as programs to increase public awareness about the environmental and economic impact of improper disposal of consumer waste products.

Long
committed
to environment

We were an original corporate sponsor of Keep America Beautiful (KAB), for example, and have been supporting the group for more than 40 years.

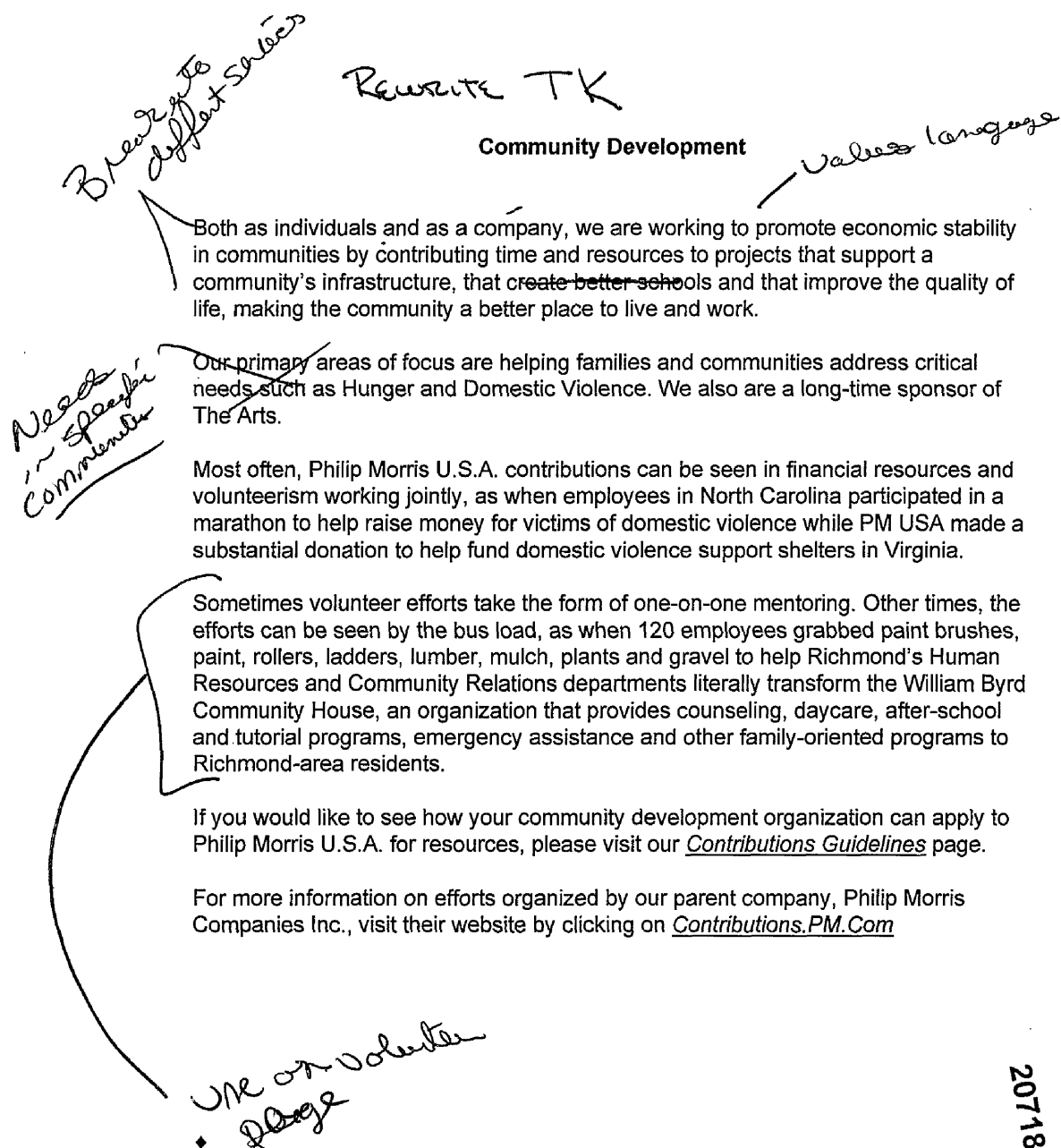
Now, the PM USA/KAB team is working together on an urban litter initiative in six cities across the country. We are providing technical and financial assistance to help Keep America Beautiful implement an initiative to place ash/trash receptacles in high-traffic areas and measure the results.

For more information, visit our Litter page.

If you would like to see how your environmental organization can apply to Philip Morris U.S.A. for resources, please visit our Contributions Guidelines page.

Very narrow
for more info visit contributions guidelines

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EMAIL FROM CC

Rewrite TK

General Contributions Guidelines

Philip Morris USA believes in helping people in need in the communities where we do business and our employees live. In order to better serve these communities, and to better align our charitable contributions with our core business objectives, we are changing the focus of our corporate giving to include programs that support education, the environment and community development.

For grant guidelines specifically addressing our other focused area, positive youth development, please click [HERE](#).

WHO CAN APPLY?

We are interested in receiving funding applications from a wide range of organizations. ALL APPLICANTS MUST BE NONPROFIT, TAX-EXEMPT ORGANIZATIONS UNDER SECTION 501 (C)(3) OF THE IRS CODE.

CRITERIA FOR GRANT SELECTION

Funding decisions will be based on the following factors:

- Fit with Philip Morris USA's programmatic interests.
- Organizational capacity to create, implement and sustain quality programs that provide direct services.
- Expected measurable impact/outcomes and system for measurement.
- Organization's history in addressing issues in the community.
- Applicant organizations must have been in existence at least three years.
- Staff qualifications and experience.
- Financial health of the organization.
- Potential or identified funding partners.
- Opportunities for Philip Morris USA employees and retirees to volunteer.

Questions that we will consider when reviewing proposals include:

- How has the applicant measured community need for this program/service?
- How well do the proposed services match community needs?
- What is the planned impact of the proposed project or activity? How many youth will this program reach?
- To what extent are youth involved in program planning and governance?
- To what extent is the organization capable of successfully implementing the proposed project or activity?
- From what other sources is the organization gathering financial support for the proposed project or activity?

2071824714

- For new programs, how will the organization ensure a successful launching of the program and sustain it?
- How does the organization plan to measure program progress and evaluate its outcomes?

Site visits will be made to most applicant organizations prior to final funding decisions.

Generally, Philip Morris USA will not fund or contribute to individuals, research projects, endowments, or building campaigns. Grants for general operating expenses ordinarily will not be considered.

Many of the grants provided by Philip Morris U.S.A. help organizations located near our plant communities of Richmond, Va.; Cabarrus, N.C.; and Louisville, Ky. If you organization operates primarily in one of these three areas, please contact the community relations department nearest you.

Richmond address and contact

Cabarrus address and contact

Louisville address and contact.

> TK

All others should contact our New York headquarters.

Address and contact

2071824715

☆ INFO TK

NOTE: Need to fill in dollar amounts; need to decide if we are going to list groups or not; need to decide if we will use one or two groups to illustrate each locale – if so, do we want to link to their home pages. An alternative is to fold this section into each of the four focused giving areas, so that we say something like, "Last year, Richmond employees donated xxxx dollars to xxx organizations helping educational organizations... etc..."

Charitable Giving At a Glance

Over the years, Philip Morris U.S.A. has donated millions of dollars to charitable organizations and our employees have volunteered countless hours of their own time.

We are especially active in the communities in which we have manufacturing facilities. Last year, PM USA donated \$xxxxxx to charitable organizations.

Richmond, Virginia

- ◆ In 1998, PM USA contributed more than \$1.3 million to charitable organizations throughout the state of Virginia.
- ◆ PM USA Richmond-area employees pledged more than \$1.7 million to the United Way in 1998.
- ◆ In 1998, more than 70 local organizations in the Richmond area received charitable contributions from Philip Morris U.S.A.. Recipients included groups such as Big Brothers Big Sisters, the Central Virginia Food Bank, Emergency Shelter Inc., Family and Children's Service of Richmond, Meals on Wheels of Greater Richmond, the Richmond Symphony, Urban League and the Virginia Ballet.

Cabarrus

- ◆ In 1998, Philip Morris U.S.A. contributed more than \$600,000 to charitable organizations throughout the state of North Carolina.
- ◆ PM USA area employees pledged more than \$557,988 to the United Way in 1998.
- ◆ Employees are involved on boards of organizations such as United Way, Junior Achievement and volunteer countless hours of personal time for a variety of causes such as Crop, Juvenile Diabetes and Multiple Sclerosis walks, Toys for Tots, Second Harvest Food Bank Food Drive.

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- ◆ In 1998, numerous organizations in North Carolina received charitable contributions from PM USA. Recipients included groups such as Cabarrus County Boys & Girls Club, Cabarrus Senior Games, Cabarrus Soil & Water Conservation District, Charlotte-Mecklenburg Urban League, Community Food Rescue and Mecklenburg County Boy Scouts of America.

Louisville, Kentucky

- ◆ Philip Morris U.S.A. has been a long-standing supporter of a great variety of events. The company supports the Owensboro RiverPark Center, the Louisville Ballet, the New Directions in Dance series, the Kentucky Art and Craft Foundation, the Jenny Wiley Drama Association, the Greater Louisville Fund for the Arts, the Kentucky Educational Television Foundation and has sponsored the Philip Morris Festival of Stars for more than 40 years.
- ◆ Philip Morris U.S.A.'s support for education includes grants to the Kentucky State University Research Apprenticeship Program, Lindsey Wilson College, the minority scholarship program at Bellarmine College, and Jefferson Community College.
- ◆ Philip Morris U.S.A. and its employees have been leaders in helping the needy. Beneficiaries include the Kentucky Food Bank, Kentucky Harvest, YMCA's Camp Piomingo, Metro United Way, the St. John Center, Dare to Care, the Family and Children's Agency, God's Pantry Food Bank, Kentucky Southern Chapter of the National MS Society, Hope Center and the Eastern Kentucky Child Care Coalition.
- ◆ PM Louisville received the Metro United Way Allen Society Leadership Award support of the group's efforts. In 1998 alone, PM Louisville raised over \$409,000. Throughout the years, PM Louisville has proved millions of dollars for essential health and human services in the community. The Fund for the Arts gave PM Louisville an award for their Leadership in Employee Giving in the Arts.

2071824717

The People of Philip Morris U.S.A.

Philip Morris Companies have had a long history of helping others, of giving back to the communities where we conduct business, and of maintaining an on-going commitment to innovation and diversity.

At Philip Morris U.S.A., we have made sharing with others one of the core values that guide our entire company. We actively foster an environment in which our people can contribute their time and energy to their families, their neighbors, their colleagues and their communities. As a company, we acknowledge and embrace our role as a responsible, involved citizen and community leader.

Annually, the Board of Philip Morris Companies Incorporated allocates money to each of its operating companies to support the programs and activities of non-profit organizations locally and nationally in the United States and abroad. Philip Morris U.S.A.'s goal is to utilize its Corporate Contributions budget to support our overall business objectives as well as those of Philip Morris Companies Incorporated. At PM USA, we consider grants to non-profit organizations in the following primary areas of giving:

Positive Youth Development: One of Philip Morris USA's business objectives is to help reduce youth smoking and a portion of our grant dollars support positive youth development programs. *For more information, click [Positive Youth Development](#).*

Education: Philip Morris USA provides scholarships and ~~university~~ support to universities and colleges to ensure the development of tomorrow's business leaders. *For more information, click [Education](#).*

The Environment: Philip Morris U.S.A. supports programs that increase the public's awareness of the environmental and economic impact of consumer product waste. *For more information, click [The Environment](#).*

Community Development: Philip Morris USA believes in helping to enhance the quality of life for those in the communities where our employees live and work. *For more information, click [Community Development](#).*

In addition to our areas of giving, Philip Morris U.S.A. has a proud history of employees sharing with others by volunteering.

Employee Volunteers: At each of our locations, whether in the sales force, manufacturing facilities or in the headquarters office, our employees generously give of their time, expertise and effort, both at their jobs and within their communities. *For more information about how our employee volunteers are working to make a difference, click [Employee Volunteers](#).*

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Positive Youth Development

We are committed to helping young people have access to resources that can help them face challenges and make good decisions in a world where choices and pressures can be overwhelming. This grant-making initiative directly supports the objective of our Youth Smoking Prevention department by supporting **positive youth development** programs that provide youth with the skills needed to help them make the right decisions in their lives, including the decision not to smoke. We believe that in order to change behavior among young people, we have to focus on *what we are trying to promote in addition to what we are trying to prevent*.

Our initiatives will help fund programs and organizations that focus on asset and skill-building among young people in middle school and high school so that they can develop strong interpersonal, judgement and problem-solving skills.

Most experts agree that a key aspect of helping young people grow into healthy, productive adults is to provide them with safe, nurturing experiences and caring relationships with adults outside of school hours. Given these important findings, we have decided to focus our grant-making efforts primarily during out-of-school time. We will provide funding to expand and enhance non-school hour or extended day programs that focus on youth in middle school and high school, with emphasis on 10-14 year olds, which are the most challenging years because of the various transitions they are going through and because they are also the most underserved age group.

According to the National Collaboration for Youth, the most successful youth development programs have the following elements: a comprehensive strategy with a clear mission and goals; committed, caring and professional leadership; a diverse array of youth-centered activities in youth-accessible facilities; are culturally sensitive, inclusive and diverse; involve youth in the planning, delivery, and evaluation of services that affect them; and offer a positive focus including all youth.

The Positive Youth Development initiative is interested in receiving funding applications from a wide range of youth-serving organization, such as: Boys and Girls Clubs; YWCAs and YMCAs; mentoring programs; after-school or summer activity programs; tutoring programs; life skills initiatives; peer outreach programs; and other asset- or skill-building initiatives.

We want to help your efforts:

Philip Morris U.S.A. would like to invite youth-serving organizations that provide youth with structured after-school activities to apply for grants. Organizations who wish to apply must be prepared to outline a specific plan for how their program meets our

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criteria, how the funds will be used, and how the program will be measured for effectiveness. Most often, our grants range from \$2,000 to \$25,000.

Philip Morris USA's Positive Youth Development grantmaking initiative is a long-term commitment and will be implemented across the country. Supporting these types of programs can provide young people with positive choices and alternatives that lead away from decisions to engage in risky or negative behavior.

Supporting these types of programs will help meet the human and developmental needs of youth, while building a set of core assets and competencies needed to participate successfully in adolescent and adult life. We look forward to collaborating with others who share our interest in promoting positive youth development and reducing the incidence of youth smoking.

Please click on [Positive Youth Development Grant Guidelines](#) for more information on how to apply.

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**PHILIP MORRIS USA
POSITIVE YOUTH DEVELOPMENT
GRANT GUIDELINES**

PHILIP MORRIS USA's POSITIVE YOUTH DEVELOPMENT FOCUS

Philip Morris USA believes in helping people in need in the communities where we do business and our employees live. In order to better serve these communities, and to better align our charitable contributions with our core business objectives, we are changing the focus of our corporate giving to include programs that support positive youth development.

We are committed to helping ensure that young people have access to resources to assist them in making good decisions in a real world where choices and pressures can be overwhelming. We will provide funding to organizations that focus on asset and skill-building among young people in middle and high school so that they can develop strong interpersonal, judgement and problem-solving skills.

Our primary goals in this area of grantmaking are to:

- ☐ Expand and enhance non-school hour/extended day programs, and
- ☐ Connect schools and community-based organizations, to increase youth programs and services.

Successful programs will include *all* of the following elements:

- Focus on youth in middle and high school, *with emphasis on 10 to 14 year olds.*
- Focus on building on youth's assets and helping them develop life skills
- Services delivered in non-school hours.
- Programs that involve youth in planning, decision making, and implementation.
- Take a comprehensive approach to addressing risky behaviors for youth, not only youth smoking.

Funded programs *must* include *two or more* of the following key components:

- Providing safe, nurturing, non-threatening environments for out-of-school programs;
- Focusing on positive outcomes and emotional as well as physical health and developmental issues;
- Preparing youth for the future; building skills/competencies;
- Developing an ongoing relationship with a caring adult;
- Providing structured community service activities.

Philip Morris USA would like to link Positive Youth Development grants with other areas supported by the Philip Morris family of companies. Therefore, we are especially interested in efforts to:

- Provide nutritious meals and snacks to at-risk youth.
- Use arts and culture as potential vehicles for reaching/involving youth.
- Introduce youth to the world of careers and help them develop marketable skills.
- Improve communication and mediation skills among youth, and between youth and their parents.
- Strengthen families and involve parents in their children's lives in meaningful ways.

WHO CAN APPLY?

The Positive Youth Development initiative is interested in receiving funding applications from a wide range of youth-serving organization, such as:

- | | |
|--|---|
| ▪ Boys and Girls Clubs | ▪ tutoring programs |
| ▪ YW/MCAs | ▪ life skills initiatives |
| ▪ mentoring programs | ▪ peer outreach programs |
| ▪ after-school or summer activity programs | ▪ other asset- or skill-building initiatives. |

All applicants must be nonprofit, tax-exempt organizations under section 501 (c)(3) of the IRS Code.

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CRITERIA FOR GRANT SELECTION

In evaluating proposals, we will look for promising or proven-effective quality programs that provide services directly to youth. Funding decisions will be based on the following factors:

- Fit with Philip Morris USA's programmatic interests.
- Organizational capacity to create, implement and sustain quality programs that provide direct services.
- Expected measurable impact/outcomes and system for measurement.
- Organization's history in addressing positive youth development issues in the community.
- Applicant organizations must have been in existence at least three years.
- Staff qualifications and experience.
- Financial health of the organization.
- Potential or identified funding partners.
- Opportunities for Philip Morris USA employees and retirees to volunteer.

Questions that we will consider when reviewing proposals include:

- How has the applicant measured community need for this program/service?
- How well do the proposed services match community needs?
- What is the planned impact of the proposed project or activity? How many youth will this program reach?
- To what extent are youth involved in program planning and governance?
- To what extent is the organization capable of successfully implementing the proposed project or activity?
- From what other sources is the organization gathering financial support for the proposed project or activity?
- For new programs, how will the organization ensure a successful launching of the program and sustain it?
- How does the organization plan to measure program progress and evaluate its outcomes?
- Does the proposed program provide an innovative and effective approach to serving youth?

Site visits will be made to most applicant organizations prior to final funding decisions.

Generally, Philip Morris USA will not fund or contribute to individuals, research projects, endowments, or building campaigns. Grants for general operating expenses ordinarily will not be considered.

HOW TO APPLY FOR A GRANT

WHAT TO INCLUDE:

Organizations interested in applying for a grant should submit a completed copy of the Philip Morris USA Positive Youth Development Grant Application, with all required attachments.

Along with the completed Grant Application, a copy of each of the following must be submitted. ***Incomplete applications will not be considered.***

- | | |
|---|---|
| ▪ Attachment 1 -- Total annual operating budget | ▪ Attachment 5 -- Most recent IRS Form 990. |
| ▪ Attachment 2 -- Program Budget | ▪ Attachment 6 -- Audited financial statements. |
| ▪ Attachment 3 -- Funding Information | ▪ Attachment 7 -- Most recent annual report. |
| ▪ Attachment 4 -- Copy of IRS 501(c)(3) letter | ▪ Attachment 8 -- Board of Directors list |

WHERE TO SEND YOUR APPLICATION:

Requests for more information or submission of completed applications should be sent to:

Philip Morris USA
Trade and Business Relations
120 Park Avenue, 14th Floor
New York, NY 10017
Telephone: 1-800-TBD

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Education

Philip Morris U.S.A. is committed to helping universities and colleges develop diversity and prepare the workforce of tomorrow.

Working with dozens of schools, we want to encourage talent to flourish and to help build the capacity of young people to both enter the workforce and become the next generation of leaders. For example, we provide university-administered scholarships for minorities and those pursuing engineering and MBA degrees. We also provide grants to support educational programs, such as providing new technology to support a marketing curriculum; grants to sponsor student activities, such as symposiums and interview training for student organizations; and we provide grants to support placement office activities, such as providing new equipment, internships and facility improvements.

When it comes to initiatives, one of the efforts of which we are most proud is the Thurgood Marshall Scholarship Fund. A merit-scholarship program founded in 1987, The Fund provides four-year scholarships to students who attend Historically Black Colleges and Universities throughout the United States. The Fund has awarded scholarships totaling more than \$3 million since its inception. More than 100 Thurgood Marshall Scholars have already graduated, and 130 are currently receiving awards from the fund.

PM USA, which began its support in 1996, funds 20 scholarships in the program. Each student is given the opportunity to intern at PM USA during the summer in Marketing, Sales and Operations and is paired with a senior vice president or vice president mentor.

For information on our contributions, please visit our [General Contributions Guidelines](#) page.

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The Environment

Philip Morris U.S.A. has decades of experience in working with other organizations to address environmental issues and to reduce consumer product waste.

As a consumer products company, we are particularly interested in having our contributions support initiatives that combat litter, such as clean-up campaigns for beaches, parks and other public venues in the communities where our employees and consumers live.

We also support programs that increase public awareness about the environmental and economic impact of improper disposal of consumer waste products.

A longtime sponsor of Keep America Beautiful (KAB), Philip Morris U.S.A. is working together with the organization on a new urban litter initiative in six cities across the country. We are providing technical and financial assistance to help Keep America Beautiful implement an initiative to place ash/trash receptacles in high-traffic areas and measure the results.

For more information on our Litter initiative, please visit [Litter](#).

For more information on our contributions, visit [General Contributions Guidelines](#).

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Community Development

At Philip Morris U.S.A., sharing with others is one of the core values that guide our entire company. We acknowledge and embrace our role as a responsible, involved citizen and community leader and are committed to strengthening the communities in which there is a Philip Morris presence.

Both as individuals and as a company, we are contributing time and resources to projects that support a community's infrastructure; promote economic development and vitality and improve the quality of life. We believe all of these goals make a community a better place to live and work and create an environment that attracts other businesses to the community.

Our efforts range from support of a book fair to aid a local library, to sponsorship of a travelling art exhibit, to a major contribution to help a community rebuild and revitalize its downtown public spaces.

For example, on the issue of domestic violence, Philip Morris U.S.A. sponsors conferences that help generate awareness of the severity of the problem. We also make substantial donations to community groups that help victims, such as our partnership with The Family and Children's Trust Fund of Virginia (FACT) to provide Virginia's domestic violence shelters with needed funding and support. Our efforts can also be seen in the critical area of hunger relief. We sponsor canned food drives; deliver meals to the elderly and infirm, and make available specific kinds of food to feeding organizations, such as Hunters for the Hungry, a non-profit organization that processes deer meat from hunters and distributes it to the hungry in Virginia.

If you would like to see how your community development organization can apply to Philip Morris U.S.A. for resources, please visit our [General Contributions Guidelines](#) page.

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General Contributions Guidelines

Philip Morris U.S.A. believes in helping people in need in the communities where we do business and our employees live. In order to better serve these communities, and to better align our charitable contributions with our core business objectives, we focus our giving on programs that support Positive Youth Development, education, the environment and community development.

For grant guidelines specifically addressing our Positive Youth Development focus area, please click [here](#).

We accept applications on a rolling basis. For consideration for the current budget year, all applications must be received by September 1.

Eligibility

Organizations requesting support must have a non-profit, tax exempt classification under section 501(c)3 of the Internal Revenue Code. The criteria listed below will be used to evaluate potential funding for an organization's programs and activities.

- Fit with PM USA's programmatic interests
- Organizational capacity to create, implement and sustain quality programs
- Organization's history in addressing issues in the community
- Expected measurable impact/outcomes and process for on-going evaluation
- Staff Qualifications and experience
- Financial Health of the organization
- Additional sources of financial support for the proposed project or activity

Documentation

The requesting organization must submit a grant proposal that includes the following:

- Letter from organization, on letterhead, requesting support
- Official Name and Address of the Organization;
- Official Contact, including position, and telephone number;
- Statement of the organization's purpose/mission;
- Purpose of the grant request with facts to support the need;
- Detailed plan to show how the organization plans to address the need(s);
- Volunteer opportunities for Philip Morris USA employees;
- Operating budget for prior year and/or audited financial statements
- List of the organization's Board Members and/or Advisory Board Members
- IRS Tax Status Letter certifying the organization meets 501(c)3 requirements.

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Note: Generally Philip Morris USA will not fund or contribute to individuals, research projects, endowments, or capital campaigns. Most grants will be made to organizations that provide direct services to those in need.

Many of the grants provided by Philip Morris USA help organizations located near our plant communities in Richmond, VA.; Charlotte, NC.; and Louisville, KY. If your organization primarily operates in one of these areas, please contact the community relations department nearest to you.

Manager, Contributions
Philip Morris U.S.A.
Operations Center
2001 Walmsley Blvd.
Richmond, VA 23234

Manager, Contributions
Philip Morris U.S.A.
P.O. Box 1098
2321 Highway 29 South
Concord, NC 28025

Manager, Contributions
Philip Morris U.S.A.
P.O. Box 1498
1930 Maple Street
Louisville, KY 40201

All other completed grant requests should be submitted to:

Manager of Trade & Business Relations
PM USA Corporate Affairs Department
120 Park Avenue, 14th Floor
New York, New York 10017

If you have any questions, please call 1-800-TBD.

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Employee Volunteers

We actively foster an environment in which our people can contribute their time and energy to their families, their neighbors, their colleagues and their communities.

Our employees not only donate their time and effort to specific projects, they volunteer their professional experiences by sitting on boards of numerous charitable groups, providing organizational advice and working to encourage others in the community to volunteer as well. And Philip Morris employees are routinely the pace-setters when it comes to financial contributions to charitable organizations such as the United Way.

Sometimes volunteer efforts take the form of one-on-one mentoring, as when PM USA employees helped elementary and middle school students create projects for a school science fair. Other times, it's running in a marathon for domestic violence victims; walking for Multiple Sclerosis; or bowling for Junior Achievement. And sometimes the efforts can be seen by the bus load, as when 120 employees grabbed paint brushes, paint, rollers, ladders, lumber, mulch, plants and gravel to help transform a community organization that provides counseling, daycare, after-school and tutorial programs, emergency assistance and other family-oriented programs to Richmond-area residents.

Across all areas – positive youth development, education, the environment, community development, hunger relief, the arts and more – the people of Philip Morris U.S.A. have a proud tradition of volunteering as individuals who care about the communities in which they live. As a company, PM USA is proud to support them with matching funds when possible to help make financial contributions make a bigger difference, time off to make their volunteer efforts more impactful, and resources to help them help their communities.

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Public Place Smoking

We believe that everyone's choices should be respected when it comes to the issue of smoking in public places.

Many non-smokers find environmental tobacco smoke annoying. Others are concerned about health risks. For these reasons, we believe non-smokers should be able to expect an environment in which smoke and odor do not bother them.

At the same time, adults who choose to smoke should be able to do so in a pleasant and comfortable environment. And business owners should be able to choose the smoking policy that best suits the needs of their business and the preferences of their customers and employees.

Public policies that mandate all out smoking bans neither respect these choices nor achieve balance for non-smokers, smokers and business owners. Not only are smoking bans not reasonable solutions, they can result in negative social and economic impact for businesses, employees and customers. We support reasonable regulatory measures that take everyone's preferences into account. However, we believe business owners are in the best position to determine the appropriate policy for their business and should be provided flexibility in doing that.

We believe that there are many options for a variety of circumstances that can provide comfort for both non-smokers and smokers in a balanced way: Ventilation improvements. Separate areas. Separate rooms. And sometimes no separation at all.

By working together, we believe we can make a difference in finding balance and comfort for both non-smokers and smokers. That's why we support a national initiative called "Options." Its mission is to help business owners, public policy makers and the general public find effective ways to accommodate everyone's preferences – non-smokers and smokers alike. For more information, click [Options](#).

The Benefits of Accommodating Non-smokers and Smokers

More than three quarters of Americans believe "smoking or non-smoking" is a choice customers should be offered when entering a restaurant or hotel, according to a national survey commissioned by the Distinguished Restaurants of North America (DRNA) and conducted by Roper Starch Worldwide (June, 1998)

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The survey polled more than a thousand adults from across the country and found that 77 percent of the American public agrees that "we should find a way to accommodate both smokers and non-smokers in hospitality establishments."

According to the same poll, Americans by large majorities believe restaurants and hotels should be free to take into account the preferences of all adults – non-smokers and smokers alike – when they set their smoking accommodation policies. A poll of bar patrons sponsored by the National Licensed Beverage Association found that 64 percent of respondents believe non-smoking and smoking choices should be accommodated in bars. Both polls found nearly 80 percent of the public agrees that ventilation can make a difference on public smoking issues.

The DRNA survey also found that:

- ◆ 89 percent agree that those who choose to smoke and those who do not should respect each other's choices;
- ◆ Nearly 80 percent of respondents believe good ventilation can have an impact on smoking issues;
- ◆ 75 percent believe that smoking issues can be resolved through common courtesy;
- ◆ 54 percent believe smoking should be allowed in designated areas of restaurants;
- ◆ 61 percent said that smoking should be allowed in designated hotel rooms.

Many business owners agree that enjoying a cigarette is one of those choices that contributes to some of their guest's fine dining experiences. Likewise, not being bothered by smoke is just as important to others' ideal dining experience. The answer – which the industry has known all along and our customers have endorsed – is separate, well-ventilated areas to accommodate both choices.

Business Owners' Right to Choose

When it comes to who should be primarily responsible for setting smoking policies in hospitality establishments, the survey found that 55 percent of Americans believe that business owners should decide. A further 22 percent believe customers should have this responsibility, while only 19 percent would put it in the hands of the government.

The best choice for business owners is the one that generates more business and provides the most comfort for all patrons. As a result, many hospitality associations have come out against government-mandated smoking bans. The associations reflect the viewpoints of their memberships, which have found that bans can cause a significant and negative impact on a business's bottom line. Two months after a smoking ban went into effect in California, over 59 percent of bar owners reported a

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decrease in sales; stand-alone bars were hit with an average decrease of over 81 percent.²

To demonstrate that there are viable options to smoking bans, hospitality associations are exploring reasonable ways to accommodate all customers. The industry has teamed up with indoor air quality experts — including heating, ventilation, and air-conditioning (HVAC) manufacturers and contractors — to look into cost-effective, efficient ways to create pleasant and welcoming environments.

Working to provide accommodating environments and to define reasonable solutions to smoking bans has become a priority for many hospitality businesses, and for good reason: Every restaurant, hotel, bar, and bowling center wants to attract and keep as many customers as possible.

Government Regulation and the Impact of Bans

Studies confirm that restrictive smoking bans result in a negative economic and social impact. In addition, statistics indicate that smokers generally spend more time lingering in an establishment.

Some owners and managers predict as much as a 20 percent downturn in business following a mandated smoking ban, such as the one mandated by State of California. Six separate state polls revealed that business owners and managers said they would expect to have layoffs if bans were enacted.

According to recent surveys of managers and patrons in the city of Boston, the imposition of severe smoking restrictions has already reduced patronage there. The study, commissioned by the International Society of Restaurant Association Executives, found that the restaurant industry in Boston could potentially lose an estimated \$40 million as more patrons frequent ban-free towns outside of Boston. In addition, it is estimated that tips are down 15 percent and more than 650 people could lose their jobs.

Last year the American Beverage Institute conducted a telephone survey of 300 owners and managers of California establishments that serve beverage alcohol, some of which were affected by the January 1, 1998 statewide smoking ban. The results indicate that the majority of establishments, 59.3 percent, experienced a decrease in business since the ban went into effect; while 30.3% experienced no effect; 6.7% experienced an increase in business; and 3.7% refused to answer or did not know.

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The bottom line is that reasonable options that accommodate everyone's preferences and provide comfort and balance for customers and employees are better than outright smoking bans. The final choice should rest with the marketplace, with business owners having the flexibility to accommodate everyone.

* * *

To find out more about the studies cited above, or to read a number of other studies that demonstrate hospitality industry and consumer support for accommodation and the negative impact of bans on business, please visit our *Economic Impact Compendium* in our *Options Library*.

For our position regarding smoking ban legislation, please visit our *Tobacco Issues* section.

² Poll conducted in April 1998 by the American Beverage Institute.

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Options, Philip Morris USA
Finding Balance & Comfort For Both Non-Smokers And Smokers

"Options" is a Philip Morris USA initiative to help find effective ways for businesses, public policy makers and the general public to provide balance and comfort for both non-smokers and smokers in public places.

Our Commitment

Our commitment is to stimulate discussion and facilitate a marketplace that employs practical approaches to accommodating non-smoker and smoker preferences. We will ...

Communicate what is possible

Advocate accommodation and reasonable options -- both technical and non-technical -- for non-smoker and smoker comfort, based on the public's accommodation expectations and the advancement of ventilation technologies

Facilitate discussion

Bring together industries, individuals and others with a mutual interest in technical and non-technical accommodation options to discuss and develop tailored approaches for specific types of places

Encourage experts and expertise

Seek and advance state-of-the-art thinking on ways to effectively accommodate business needs and the preferences of both non-smokers and smokers

Educate, based on experience

Provide information to help broaden understanding and acceptance of what can be achieved, how to make it happen, the benefits that can accrue to businesses and the possible positive impact on customer and employee satisfaction

Stimulate innovation

Support the advancement of knowledge and reasonable options that will ultimately help create accommodating environments for both non-smokers and smokers alike

Our Initiatives

We are supporting educational and communication programs and other initiatives to help the marketplace identify reasonable, balanced options. We will continue to seek and define new opportunities to support our mission of encouraging comfort for both non-smokers and smokers.

The Accommodation Program

A nationwide program designed to meet the specific needs of business owners in the hospitality industry by offering educational materials and seminars, communication programs, non-smoking and smoking signage and access to information on the latest design and application of ventilation technology.

- ◆ For detailed information, visit
- ◆ **Accommodation Fact Sheet** in our *Options Library*.
- ◆ **Accommodation Program Catalog** in our *Options Library*.

Telephone Ventilation Consulting Service

Expert engineers who are 'on-call' to provide information and insight into how business owners can improve their existing environment through the use of the appropriate

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- ◆ For detailed information, especially for business owners and managers, visit our section on **Ventilation**. Here you will find **Accommodation & Ventilation**; **Ventilation Questions and Answers** and **Access to Ventilation Consulting**.

Educational Materials

The creation and distribution of educational materials to help businesses understand and explore how their peers are effectively managing the accommodation of choice for both non-smokers and smokers. Case histories help explain how businesses and facilities have implemented successful accommodation policies and applied ventilation technologies. News articles, research findings and economic analysis help business owners stay current on options for public places.

- ◆ For detailed information, visit our **Options Library**, which contains an index of all our resources, all of which are either available on this site or can be mailed to you.

Information, Research and Data

Selective grants to support business and consumer research on public place accommodation preferences and economic and social impact studies. New and relevant data can allow businesses and public policy makers to take a balanced approach to decision making

- ◆ For detailed information, visit our **Economic Impact Compendium**, which contains numerous studies and polls.

Sponsorships

Sponsorship of programs to further education and communication of options in a wide range of industries. Other sponsorship initiatives include forums to facilitate discussion between the hospitality and other public place industries and the heating, ventilation and air conditioning community to identify reasonable ways to provide accommodation to both non-smokers and smokers alike.

- ◆ For detailed information, visit
- ◆ **Seminar Schedules** in our *Options Library*.
- ◆ **Atmosphere Plus**, a licensed beverage industry initiative sponsored in part by Philip Morris U.S.A.

Consulting On Accommodation Policies

Selective one-on-one consulting with business owners and facility managers to identify the possible business and customer benefits of accommodating both non-smokers and smokers alike; to explore the different accommodation policies that can be adopted; and to discuss possible ventilation enhancements based on existing industry-specific practices.

- ◆ For detailed information, visit our section on **Ventilation**. Here you will find **Accommodation & Ventilation**; **Ventilation Questions and Answers**; **Access to Ventilation Consulting**. Also visit our **Options Library** for case studies on **Richmond International Airport** and **Braves Stadium** as well as our **Accommodation Fact Sheet**.

Showcasing Ventilation Technology Applications

Selective funding of ventilation technology applications to showcase what is possible in terms of indoor air quality improvements and to build greater awareness for the state-of-the-art technologies that are available in the marketplace.

- ◆ For detailed information, visit our section on **Ventilation**. Here you will find Here you will find **Accommodation & Ventilation**; **Ventilation Questions and Answers**; **Access to**

Ventilation Consulting; and our Options Library for a case study on The Hitching Post.

For more information on our initiative or to access our resources, please call us at 1-800-929-1414. Working together, we can find balance and comfort for both non-smokers and smokers.

Philip Morris USA's Options initiative does not purport to address the health effects attributed to smoking.

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Philip Morris U.S.A. Supports Litter Initiative

Philip Morris U.S.A. has decades of experience in working with other organizations to address environmental issue and reduce consumer product waste. The Company was an original corporate sponsor of Keep America Beautiful (KAB), for example, and has been supporting the group for more than 40 years.

Now, the PM USA/KAB team is working together on an urban litter initiative in six cities across the country. We are providing technical and financial assistance to help Keep America Beautiful implement an initiative to place ash/trash receptacles in high-traffic areas and measure the results.

The PM USA/KAB program incorporates fresh approaches to dealing with cigarette litter. In too many places—big cities in particular—adults who choose to smoke do not have convenient places to dispose of their cigarette refuse. This program has been crafted in response to consumer need.

It rolled out in Denver in July and will begin in Columbus and Atlanta in August. The tests are being conducted in areas with high concentrations of pedestrians near shops, restaurants and office buildings.

A Roper Omnibus telephone survey conducted in 1997 found that non-smokers and smokers alike agree that there aren't enough ashtrays in many public places, including on sidewalks, in parks and other recreation areas, and at beaches.

The concept behind the initiative with Keep America Beautiful is to help make it easier and more convenient for adults who choose to smoke, in part by helping to educate municipalities and facilities managers about the need to provide proper ash/trash receptacles where they're needed.

Subsequent research will determine which methods have the biggest impact on urban litter in the selected cities. Based on successful test results, these initiatives may be extended to additional urban centers.

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Options for Business Owners:

Creating comfortable environment for both non-smokers and smokers

**Restaurants
Bars and Taverns
Hotels and Motels
Bowling Centers
Airports
Stadiums and Arenas**

What is reasonable accommodation of both non-smokers and smokers? It depends. The type of business, the physical structure of the place, and the expectations of customers and employees are all factors in defining reasonable accommodation in public places. Designated areas, separate rooms, smoking lounges, and sometimes, no separation at all, are ways that business owners choose to accommodate the preferences of both non-smokers and smokers.

The key to reasonable accommodation is comfort. That means that non-smokers, who may be annoyed by second-hand smoke or perhaps concerned about health risks, should be able to expect an environment where smoke and odor do not bother them. Of course, adults who choose to smoke should be able to do so in a pleasant environment when dining, socializing or enjoying activities in public spaces. We think there is a way to achieve comfort for everyone -- and that is enhanced ventilation.

Environmental tobacco smoke presents technical challenges to business owners who want to minimize smoke drift and odor. Today, there are many ventilation technology options available that can help business owners "clear the air" so that everyone is comfortable.

According to nationwide surveys, the majority of American's believe that we should find a way to accommodate both non-smokers and smokers. They also believe that ventilation can solve most or all of the issues associated with smoking in public places. We believe that business owners should choose the accommodation option that works best for them and we're committed to helping business owners find effective ways to make accommodation work for them.

Types of Venues

The hospitality sector is generally well suited to accommodate the preferences of non-smokers and smokers as its members have experience in serving customers with a wide range of tastes and preferences. In this section, we offer resources from

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which business owners can choose depending on the unique characteristics of their business.

Restaurants

For restaurant owners, accommodating the preferences of non-smokers and smokers is an important part of providing a welcoming environment for all customers. For example, restaurateurs may choose to accommodate through designated areas – sometimes only in the bar area – or they may even create a separately enclosed space.

The option that restaurateurs select will depend, in part, on the character and the existing structure of their establishment. For example, in smaller establishments, such as restaurants under 35 seats, designated areas may be not be practical. However, in larger establishments, restaurateurs may designate specific areas for adults who choose to smoke. The key is that business owners should also be able to choose the smoking policy that best suits the needs of their business and the preferences of their customers and employees.

Restaurateurs can help to proactively manage accommodation within their business by evaluating the lay-out of their specific establishment, how well the current ventilation system is working and how they communicate their accommodation policy.

For more information to help your restaurant, please click on:

The Accommodation Program: Details on how to help find balance and comfort for smokers and non-smokers.

Ventilation Facts: Details on ventilation basics that can help address problems associated with environmental tobacco smoke.

Case Studies: Sam & Harry's: Learn about a real business that used ventilation options to accommodate all customers.

National Restaurant Association: Learn more about the definitive membership-based business association for the restaurant industry.

Signage Catalogue: Regardless of the type of venue, communicating your smoking policy to guests is very important. Customers appreciate clearly marked non-smoking and smoking areas and prominently displayed accommodation signage that welcomes all customers at entrances. The Accommodation Program of Philip Morris U.S.A. offers a variety of signage to business owners free of charge.

Hotels and Motels

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Providing superior customer service is critical to the successful operation of hotels and motels – especially as they serve as places which are a home away from home.

Hotel and motel owners and managers must deal with multiple spaces when it comes to accommodating non-smokers and smokers, such as private guest rooms, restaurants, bar areas, banquet halls and common areas such as lobbies.

From the moment guests open the doors to their rooms, they begin judging the quality of their visits. Is the air fresh? Does the room have a stale odor? Many successful hotel and motel operators increasingly are demonstrating their commitment to all of their customers by designating individual guest rooms and/or floors for non-smokers and smokers within the hotel. They also provide designated areas for guests in all public spaces and prominently communicate their smoking policy through signage to welcome everyone.

Hoteliers can help to proactively manage accommodation within their business by evaluating the lay-out of their specific establishment, how well the current ventilation system is working within each specific area of the hotel/motel and how they communicate their accommodation policy.

For more information on hotel and motel accommodation, click on:

The Accommodation Program: Details on how to help find balance and comfort for smokers and non-smokers.

Ventilation Facts: Details on ventilation basics that can help address problems associated with environmental tobacco smoke.

American Hotel and Motel Association: Learn more about what other hotels and motels are doing to make their establishments win with customers.

Signage Catalogue: Regardless of the type of venue, communicating your smoking policy to guests is very important. Customers appreciate clearly marked non-smoking and smoking areas and prominently displayed accommodation signage that welcomes all customers at entrances. The Accommodation Program offers a variety of signage to business owners free of charge.

Bars

Owners of bars and taverns face a unique set of challenges related to accommodating non-smokers and smokers. Because of their social setting – and because they often tend to have smaller spaces -- designated areas and smoking bans in bars and taverns are not a realistic accommodation solution.

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Yet, we all know that a smoky bar can be annoying and bothersome to customers and employees. We believe that in many cases, ventilation can offer a reasonable way to create a comfortable environment for everyone.

The key is that business owners should also be able to choose the smoking policy that best suits the needs of their business and the preferences of their customers and employees.

Bar/Tavern owners can help to proactively manage accommodation within their business by evaluating the lay-out of their specific establishment, how well the current ventilation system is working and how they communicate their accommodation policy.

For more information to help your bar or tavern, click on:

The Accommodation Program: Details on how to help find balance and comfort for smokers and non-smokers.

Ventilation Facts: Details on ventilation basics that can help address problems associated with environmental tobacco smoke.

Case Studies: Coral Reef Yacht Club; Wizard's Sports Cafe

Learn about real businesses that used ventilation options to accommodate all customers:

National Licensed Beverage Association: Learn more about *atmospherePLUS* – a licensed beverage industry initiative designed to educate bar and tavern owners about practical, cost-effective ventilation options.

Signage Catalogue: Regardless of the type of venue, communicating your smoking policy to guests is very important. Customers appreciate clearly marked non-smoking and smoking areas and prominently displayed accommodation signage that welcomes all customers at entrances. The Accommodation offers a variety of signage to business owners free of charge.

Bowling Centers

Since the percentage of adult bowlers who choose to smoke exceeds the national average of adult smokers, bowling proprietors are always looking for innovative ways to accommodate all of their customers, non-smokers and smokers, in their centers.

There are a variety of ways to accommodate, many of which depend on the existing physical structure of the establishment and the customer base at a given time. Some steps include designating non-smoking and smoking areas within the center, such as concourses and common areas; allocating non-smoking and smoking lanes; adjusting the smoking policy based on the presence of adult and children's leagues; and designating areas within the restaurant facility and adult only areas such as bars.

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The key is that business owners should also be able to choose the smoking policy that best suits the needs of their business and the preferences of their customers and employees.

Bowling Center proprietors can help to proactively manage their accommodation within their business by evaluating the lay-out of their specific establishment, how the current ventilation system is working and how they communicate their accommodation policy.

For more information to help your bowling alley win with all of your customers, click on:

The Accommodation Program: Details on how to help find balance and comfort for smokers and non-smokers.

Ventilation Facts: Details on ventilation basics that can help address problems associated with environmental tobacco smoke.

Case Studies: Bowling Palace: Learn about a real business that used ventilation options to accommodate all customers.

Bowling Proprietors' Association of America: Learn more about what other owners are doing to make their establishments win with customers.

Signage Catalogue: Regardless of the type of venue, communicating your smoking policy to guests is very important. Customers appreciate clearly marked non-smoking and smoking areas and prominently displayed accommodation signage that welcomes all customers at entrances. The Accommodation Program offers a variety of signage to business owners free of charge.

Airports

According to a recent poll of the nation's largest airports, most of the top 25 airports now offer some form of accommodation within the airport. The key for airports is to develop a smoking policy that is comfortable and welcoming for all travelers, non-smokers and smokers alike. One option chosen by several national airports, including Richmond International Airport, is to create appealing and convenient smoking areas, to enhance ventilation systems and to clearly communicate their smoking policy.

As airports emphasize comfort and convenience for travelers – and bring in more revenue from shops and food and beverage concessions – it becomes more important to create comfortable and convenient environments for both non-smoking and smoking travelers. This way, travelers who choose to smoke will be less likely to

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go outside the airport to smoke and more likely to order food and beverages and make purchases in the airport's stores.

Non-smoking and smoking travelers at well-ventilated food and beverage facilities at Washington National, Columbus, Providence and JFK were polled on their attitudes toward smoking at these facilities. Over 90 percent did not find smoking in these facilities offensive. In addition, nearly one in four would not patronize the establishment if smoking were banned.

Ventilation Facts: Details on ventilation basics that can help address problems associated with environmental tobacco smoke.

Case Study: Richmond International Airport Learn how Richmond is accommodating all customers.

Signage Catalogue: Regardless of the type of venue, communicating your smoking policy to guests is very important. Customers appreciate clearly marked non-smoking and smoking areas and prominently displayed accommodation signage that welcomes all customers at entrances. The Accommodation offers a variety of signage to business owners free of charge.

Stadiums and Arenas

Stadiums and arenas present unique situations when it comes to accommodating the preferences of all customers. For example, designating smoking sections in seating areas may not work, even though the facility is outdoors, since seat location is so important to a person's enjoyment of a stadium even. And arenas, which are enclosed, present the same challenges as any indoor space.

Instead, stadiums and arenas have a number of options to accommodate non-smokers and smokers in bar areas, concourses and other common areas.

Facility operators can help to proactively manage their accommodation within their venue by evaluating the lay-out of their specific structure, how the current ventilation system is working in common areas, how they communicate their accommodation policy, and how food and beverage concessions can offer accommodating policies.

For more information about how some outdoor facilities are working on accommodation, click on:

Ventilation Facts: Details on ventilation basics that can help address problems associated with environmental tobacco smoke.

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Case Studies: Diamond Ballpark: Learn about a real business that used ventilation options to accommodate all customers.

Signage Catalogue: Regardless of the type of venue, communicating your smoking policy to guests is very important. Customers appreciate clearly marked non-smoking and smoking areas and prominently displayed accommodation signage that welcomes all customers at entrances. The Accommodation offers a variety of signage to business owners free of charge.

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YSP RAW
Revised
8/23

Youth Smoking Prevention

At Philip Morris USA, we wholeheartedly embrace our mission to be the most responsible, effective, and respected developer, manufacturer and marketer of consumer products made for adults. We believe that with the right to manufacture and market cigarettes to adults who choose to smoke comes a responsibility to help prevent kids from smoking.

It is one of our core beliefs that smoking is an adult choice. We don't want kids to smoke, and we don't market our cigarettes to kids.

In the past, we have addressed the issue of youth smoking through responsible marketing practices and youth access prevention programs. However, now we are taking an even more active role in addressing this issue. In April 1998, we created a new department dedicated an annual budget in excess of \$ 100 million to develop and support comprehensive, collaborative and measurable approaches to help reduce the incidence of youth smoking.

Devoting resources in the prevention of youth smoking is the right thing to do. It makes good business sense and is important to our employees, shareholders and our adult consumers. All of us at Philip Morris USA are committed to youth smoking prevention and we strongly support others who are responsibly involved in this effort.

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Youth Smoking Prevention

Mission Statement



The Philip Morris USA *Youth Smoking Prevention* department has a single objective: to help reduce the incidence of youth smoking. To achieve this, our efforts will be:

Comprehensive

We believe that youth smoking is a complex problem to which there is no "silver bullet" solution. Therefore, we will simultaneously address several aspects of the issue of youth smoking in an integrated, comprehensive manner for maximum impact on the problem.

Collaborative

We will work to reduce the incidence of youth smoking by engaging in a variety of initiatives on our own, although making a real impact on this issue will take the support of many. We are prepared to work in collaboration with parents, educators, policy makers, community-based organizations, youth advocates and others in aggressive efforts to reduce youth smoking. We all have a role to play in this effort.

Measurable

Delivering measurable results is critical. Our approaches will be research-based and measures of effectiveness will be built into the programs we undertake and fund.



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**Youth Smoking Prevention
OPTION A**

❖ *Four Integrated Strategies* ❖

We are applying a comprehensive approach that integrates the following four strategies to help reduce youth smoking.

Communication, Education, Community Action, Access Prevention

(Potential display: The Communication strategy would appear on the first page with "Communicated" highlighted in this header. If you move the cursor to the next strategy, "Education" highlighted in the header and a full description of that strategy appears on screen.)

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Youth Smoking Prevention OPTION B

❖ *Four Integrated Strategies* ❖

We are applying a comprehensive approach that integrates the following four strategies to help reduce youth smoking.

Communication (*click here for more information*)

We are creating TV, print, radio, direct mail, outdoor and Internet messages for youth and parents. The message to youth is that smoking is not "cool" or necessary for them to define themselves. For communications for parents, ^{we} urge them to talk to youth about not smoking and help them build self-esteem.

Education (*click here for more information*)

We will promote life skills curricula that help students strengthen social skills, set goals, manage stress and resist peer pressure. In addition, we will help educators and policy makers find, fund and foster such programs.

Community Action (*click here for more information*)

We support community-based organizations that encourage positive youth development and help prevent youth smoking. To keep youth active and learning, we promote out-of-school programs. We hope to provide positive adult role models and peer influences through mentoring and parenting programs.

Access Prevention (*click here for more information*)

We support retail education and training programs that restrict youth access to cigarettes, and encourage responsible state youth access legislation and enforcement of existing laws. We also hope to reduce youth access to cigarettes in the home and elsewhere.

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Youth Smoking Prevention OPTION C

❖ *Four Integrated Strategies* ❖

We are applying a comprehensive approach that integrates the following four strategies to help reduce youth smoking.

Communication *(click here for more information)*

- Direct TV, print, radio, direct mail, outdoor and Internet messages at youth and parents
- Deliver the message that smoking is not "cool" or necessary for youth to define themselves
- Urge parents to talk to youth about not smoking and help them build self-esteem

Education *(click here for more information)*

- Promote life skills curricula that help students strengthen social skills, set goals, manage stress and resist peer pressure
- Help educators and policy makers find, fund and foster such programs

Community Action *(click here for more information)*

- Support community-based organizations that encourage positive youth development and help prevent youth smoking
- Promote out-of-school programs to keep youth active and learning
- Support mentoring and parenting programs that provide positive adult role models and peer influences

Access Prevention *(click here for more information)*

- Support retail education and training programs that restrict youth access to cigarettes
- Encourage responsible state youth access legislation and enforcement of existing laws
- Reduce youth access to cigarettes in the home and elsewhere

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Four Integrated Strategies - OPTION A

❖ *Communication* ❖

We are developing and implementing communications directed at both youth and parent audiences through television and print advertisements, as well as exploring other communication vehicles including radio, direct mail, outdoor and Internet messages.

Communications directed at youth are designed to change youth perceptions about smoking and to convince them that smoking is not "cool," and they should not and do not need to smoke to define themselves. Communications directed at parents are designed to help them overcome barriers to engaging kids in a meaningful dialogue about not smoking and help them build self-esteem in young people.

In order to communicate youth smoking prevention messages to a diverse population of youth and parents, advertisements will be tailored for different ethnic groups.

Ads Currently on TV

Tween Ads

"Think. Don't Smoke."

Launch: December 1998

The YSP television ads directed at tweens (youth ages 10 to 14) use peer-to-peer communication to convey the message that smoking is not "cool" and that they do not need to smoke to define themselves. In "Bus," a boy answers a series of questions to explain why he doesn't smoke – even if some of his friends do. In "Fish," a girl turns into a smoking fish when she lights her cigarette and receives a surprised and disapproving look from a boy nearby.

Parenting Ads

"Talk. They'll Listen."

Launch: August 1999

The three ads directed at parents of tweens deliver the message that parents have an important role to play in addressing this issue with their kids. In "Ten O'Clock," a father and tween daughter share a warm and important moment as the daughter prepares to go out with friends. Remembering her father's advice, the girl later rejects a cigarette offered by one of her friends. In "Being There," an Asian tween discusses how far a mother's word can go, especially when it relates to not smoking.

Hispanic Tween Ads

"Piensalo. No Fumes."

Launch: September 1999

The two ads currently on air speak to the family values that are an important influence on Hispanic youth. In "Follow the Leader," a tween skateboarder explains that he is an important role model for his younger brother and therefore does not smoke. In "Father Knows Best," a tween girl preparing for school remembers the conversation she had with her father and reaffirms her decision to not smoke.

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Four Integrated Strategies

OPTION B

❖ Communication ❖

We are developing and implementing communications directed at both youth and parent audiences through television and print advertisements, as well as exploring other communication vehicles including radio, direct mail, outdoor and Internet messages.

Communications directed at youth are designed to change youth perceptions about smoking and to convince them that smoking is not "cool," and they should not and do not need to smoke to define themselves. Communications directed at parents are designed to help them overcome barriers to engaging kids in a meaningful dialogue about not smoking and help them build self-esteem in young people.

In order to communicate youth smoking prevention messages to a diverse population of youth and parents, advertisements will be tailored for different ethnic groups.

Ads Currently on TV

Tween Ads ([click here for more info on the strategy](#))

"Think. Don't Smoke."

Launch date: December 1998

- Bus
- Parking Lot
- Being Different
- Who You Are
- A Little Credit
- Chimp
- Fish

Parenting Ads ([click here for more info on the strategy – under development](#))

"Talk. They'll Listen."

Launch date: August 1999

- Ten O'clock
- Being There
- Advice

Hispanic Tween Ads ([click here for more info on the strategy – under development](#))

"Piensalo. No Fumes."

Launch date: September 1999

- Father Knows Best
- Follow the Leader

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Tween Advertising Strategy

• Convince "tweens" (youth ages 10 to 14) that smoking is not "cool" and that they do not need to smoke to define themselves.

Tagline: "Think. Don't Smoke."

Launch date: December 1998

We developed and implemented these smoking prevention advertisements directed at youth, based on extensive primary and secondary research. Noted health authorities recommend that a variety of messages from multiple sources be used to communicate with youth.

Secondary Research

Research and literature on adolescence and advertising to adolescents (referenced below) has led us to conclude that effective youth smoking prevention advertising should:

- convey messages from peers not to smoke, because peer-to-peer communication is an effective means for youth to receive and process information;
- affirm that most kids do not smoke, because adolescents, particularly those who smoke, tend to overestimate the prevalence of smoking by their peers;
- convey negative perceptions of youth smoking, because self-image is so important to adolescents;
- depict socially attractive, non-smoking peers, because this is an effective way to make the advertising interesting and relevant to youth;
- celebrate the kids who don't smoke to reinforce their non-use of cigarettes; and
- give kids some credit and not talk down to them, reinforcing their ability to think independently and to make their own decisions.

Quantitative Research

In addition to an extensive review of the literature on advertising to adolescents, sixty-eight hundred tweens and their parents in 40 cities across the country were surveyed in face-to-face interviews to test the Philip Morris USA *Youth Smoking Prevention* advertisements before they went on the air in December 1998. Seventeen commercials were tested: eight YSP commercials and nine comparative commercials.

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The results demonstrated that the seven advertisements currently on air were believable, attention getting, memorable and – most importantly – generated nearly universal understanding of the main message of “Don’t Smoke” among kids. Both youth and parents found them to be as effective as virtually all comparative commercials in their ability to communicate not to smoke.

After viewing an execution, the participating youth (ages 10-14) were asked “What are the creators of this commercial trying to tell you?” Following is a topline summary of the kids’ spontaneous, open-ended responses:

Q. What are the creators of this commercial trying to tell you?
(Kids 10-14)

Execution Name		Bus	Parkin g Lot	Being Different	Who You Are	A Little Credit
Number of Participants		(201)	(202)	(197)	(195)	(198)
Responses	<i>Don't Smoke/No t to Smoke</i>	99%	97%	98%	99%	93%
	<i>Think before you decide</i>	--	1%	2%	1%	3%
	<i>Make your own decision</i>	1%	--	--	--	4%

Media Exposure

Philip Morris USA Youth Smoking Prevention ads are airing on top network,

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syndication, and cable tween programs. Network programs include ABC's *TGIF* Friday night line-up, WB's *Dawson's Creek* and Fox's *The Simpsons*. Syndication programs include *Friends*, *Home Improvement*, *Sister Sister*, and *Boy Meets World*. Popular tween cable networks will include Cartoon Network, TBS, USA, and MTV. Ads are running during primetime, Saturday morning, weekend afternoon, and after-school time periods. In-school exposure is achieved through Channel One's news broadcast in homeroom classes.

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Parenting Advertising Strategy

Under development.

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