



## PHILIP MORRIS U.S.A.

### Inter Office Correspondence

DATE: June 27, 1995

TO: All Philip Morris USA Employees

FROM: Jim Morgan

SUBJECT: New program to address youth access to our products

Today, Philip Morris USA announced a far-reaching PM USA initiative called "Action Against Access" to address the issue of youth smoking. The principle of the program is that "The best way to keep kids away from cigarettes is to keep cigarettes away from kids." PM USA is undertaking Action Against Access as a voluntary, proactive initiative designed to make it as difficult as possible for minors to purchase cigarettes.

We at Philip Morris USA have long held the position that minors should not smoke and should not have access to cigarettes, and we have backed that commitment over the years with a series of concrete actions. Nevertheless there is a growing concern in communities throughout the country about the prevalence of underage smoking and the ease with which minors may be able to buy cigarettes.

As an industry leader, PM USA has decided it is time to do more. Therefore there are several steps that we will take immediately and unilaterally.

- A notice will be placed on all packs and cartons of Philip Morris cigarettes stating: "Underage Sale Prohibited." We expect most of our cigarettes to carry this notice by early fall.
- Effective immediately, we will discontinue free cigarette sampling to consumers.
- Effective immediately, we will not distribute cigarettes through the mail.
- We will deny merchandising benefits to stores which are fined for or convicted of selling cigarettes to minors.

2500067075

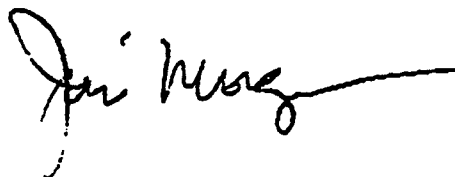
- Our sales force will have the responsibility of placing minimum age signs and related materials provided by PM USA's "Ask First/It's the Law" educational program in more than 200,000 retail outlets across the country. We will also work with and through trade associations to ensure that those materials also reach retail outlets that are not called on by our sales force.
- As part of our "Ask First/It's the Law" program, we will conduct compliance seminars for retailers and law enforcement officials.
- Philip Morris USA will step up our aggressive efforts to prevent the use of Philip Morris cigarette brand names or logos on any item marketed to minors, including video games and toys.

Beyond our commitment to take the preceding actions on our own, we are equally committed to implementing the following elements of Action Against Access. These elements will require us to work with retailers, state policy makers, law enforcement officials, and others to achieve our goals.

- The enactment of reasonable state legislation which would (a) require that all retailers who sell cigarettes must be licensed; (b) establish enforcement mechanisms for illegal cigarette sales to minors; (c) include notification procedures; and (d) provide for appropriate sanctions, by store, for violations, including fines and possible suspension or revocation of licenses.
- The enactment of state legislation to prevent the purchase of cigarettes by minors from vending machines.
- The enactment of state legislation to ensure that all cigarettes for sale at retail are within the line of sight or under control of a sales clerk, unless access to the outlet is denied to minors.
- The enactment of state legislation to ensure the posting of minimum age signs in all outlets that sell tobacco products.

We will know that we have reached our objective when the only way to purchase cigarettes legally will be when proof of age can be checked in person. Achieving that objective will put us well on our way to our ultimate goal on this issue: a marketplace where only adults can purchase our cigarettes.

I know I can count on your support in helping PM USA exercise its traditional leadership role on this vital issue.



2500067076