

June 17, 1983

CONFIDENTIAL

Mr. T. C. Hays, Executive Vice President

R. S. Sprinkle, III, Vice President - Research and Development

Weekly Report - Product Development and Product Improvement

GENERAL

Production schedules for next week include 23 million CARLTON 100's Filter Box, 13 million CARLTON 120's Filter, 7 million CARLTON 120's Menthol, 4 million TAREYTON Lights, 12 million TAREYTON Long Lights, 7 million TALL Filter 120's, 4 million TALL Menthol 120's, 30 million LUCKY STRIKE Low Tar Filters, 36 million LUCKY STRIKE Low Tar Filters Box, and 13 million PALL MALL Light 100's Cigarettes.

PRODUCT DEVELOPMENT

1. Project RCL - Hanmer Division began production of reconstituted tobacco for Liggett & Myers on Wednesday. Hanmer anticipates approximately ten operating days to complete the initial 750,000-pound requirement.
2. Project TC - Work to evaluate Philip Morris Cambridge filter holder adaptors (FTC Barclay matter) has been hampered by limited availability of adaptors to conduct extensive testing on our brands. We are attempting to obtain additional units from Philip Morris, as well as by fabricating in-house.
3. Filter Cigarette Development - Our summary report covering development work and consumer testing of 8-mg "tar" delivery Project LSL cigarettes was forwarded on Wednesday. Results of this study indicate a preference for LUCKY STRIKE Low Tar blend over the experimental CG formulation.

SIR is in the process of locating smokers for consumer testing of 6-mg "tar" delivery Project CS cigarettes prepared with LUCKY STRIKE Low Tar tobacco blend. Monadic testing will be conducted among smokers demographically similar to panelists who participated in a previous CS study in March.

4. Menthol Cigarette Development - SIR's consumer test report for Project CS menthol cigarettes was received on Tuesday. Model CG-21K was the preferred product versus Model CS-2B (CARLTON blend) among the universe of participants. CARLTON smokers in the study judged the two products to be similar and equally acceptable in taste characteristics. The report and our overview will be forwarded in the near future.

Mr. Hays

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PRODUCT IMPROVEMENT

Laboratory tests confirm that CARLTON Menthol Cigarettes incorporating Schweitzer GSR-220 tipping exhibit no instance of flare-up and nearly 100% fire cone retention when cigarettes are smoked into the tipping. Durham Branch reports that runnability characteristics are comparable to the previous tipping grade (GSR-156). We continue to work with tipping paper suppliers in an attempt to improve opacity while maintaining other desirable parameters.

PACKAGING

Two ITM packers designed to package 25 king-size cigarettes per pack were received on Wednesday and installed at Engineering Services. Cigarettes have been prepared to assist Engineering personnel in obtaining machine-made packages at standard 24.9-mm circumference and to establish lower limit circumference capabilities.

SMOKING TOBACCO

Nothing specific to report.

OTHER

Our summary report of leaf inventory and grade distribution recommendations for purchases of 1983 crop Flue-Cured tobaccos was forwarded to the Department of Manufacture and Leaf on Tuesday.

A 90-day Option Agreement to Purchase the PDL paper machine was executed with Herty Foundation on Thursday.

ODL

cc: Mr. E. W. Whittemore, Chairman and Chief Executive Officer, AB  
Mr. V. B. Lougee, III, President and Chief Executive Officer  
Mr. R. P. Truitt, Executive Vice President  
Mr. C. C. Kern, Jr., Vice President - Manufacture and Leaf  
Mr. G. H. Mullen, Vice President - Sales  
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